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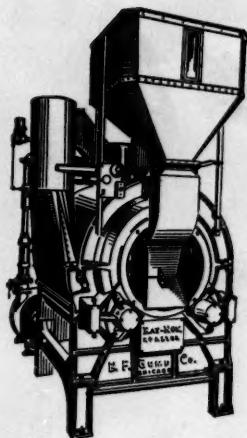
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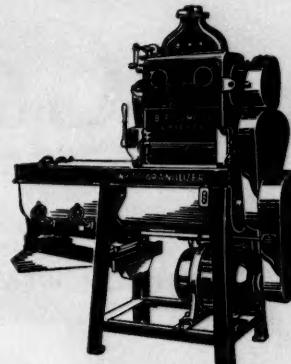
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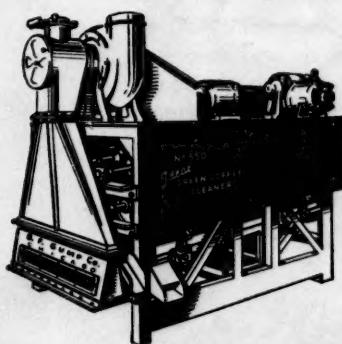
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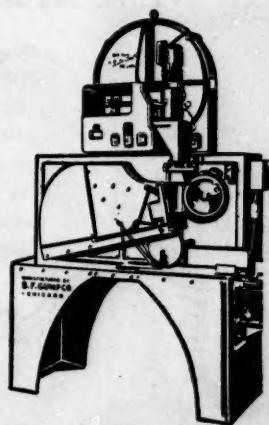
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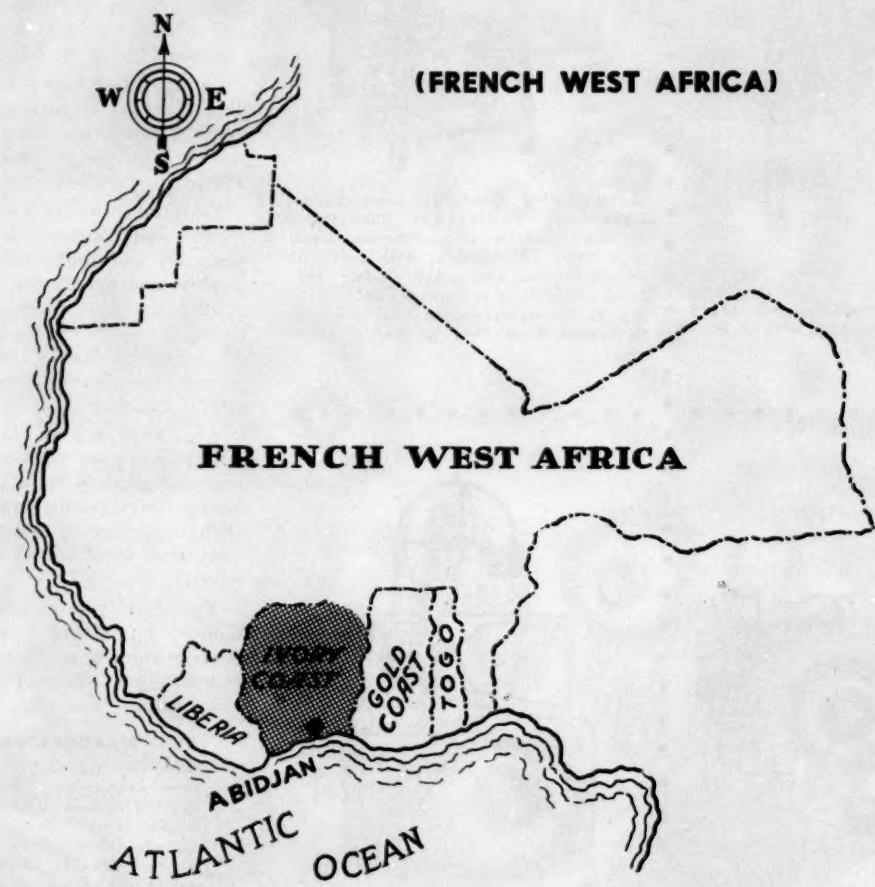
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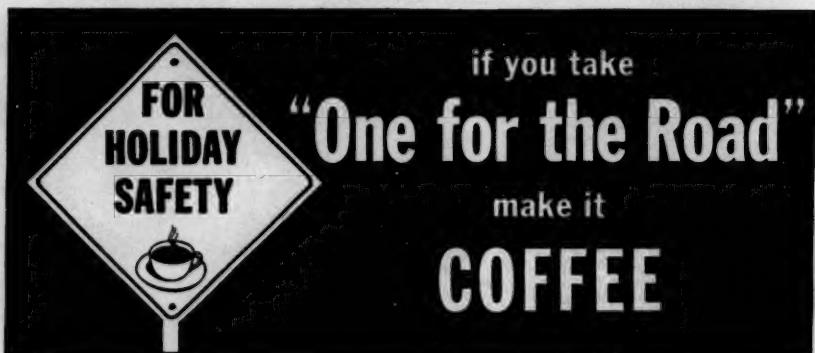
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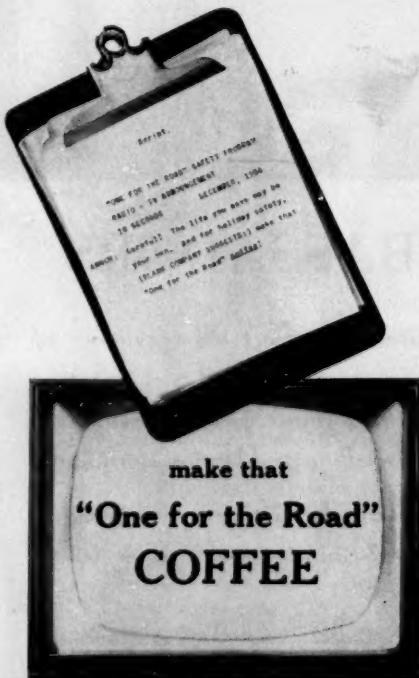
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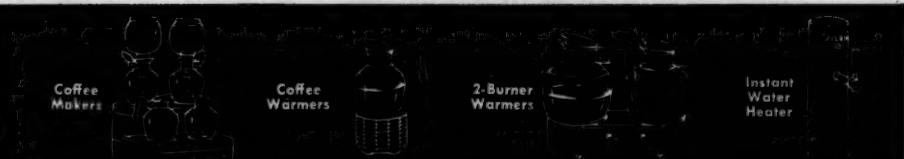
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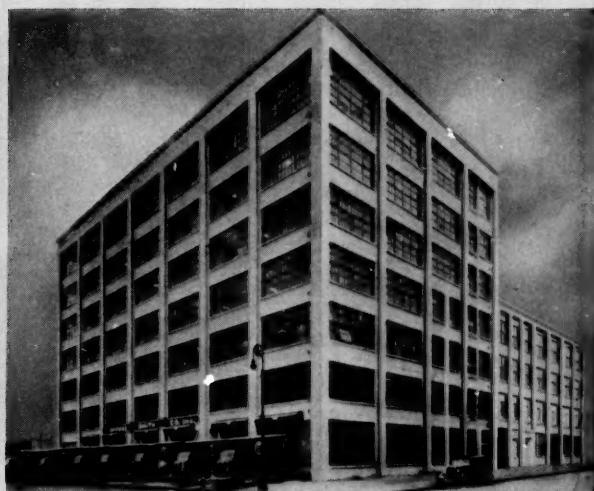
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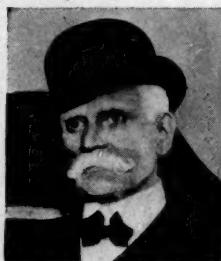


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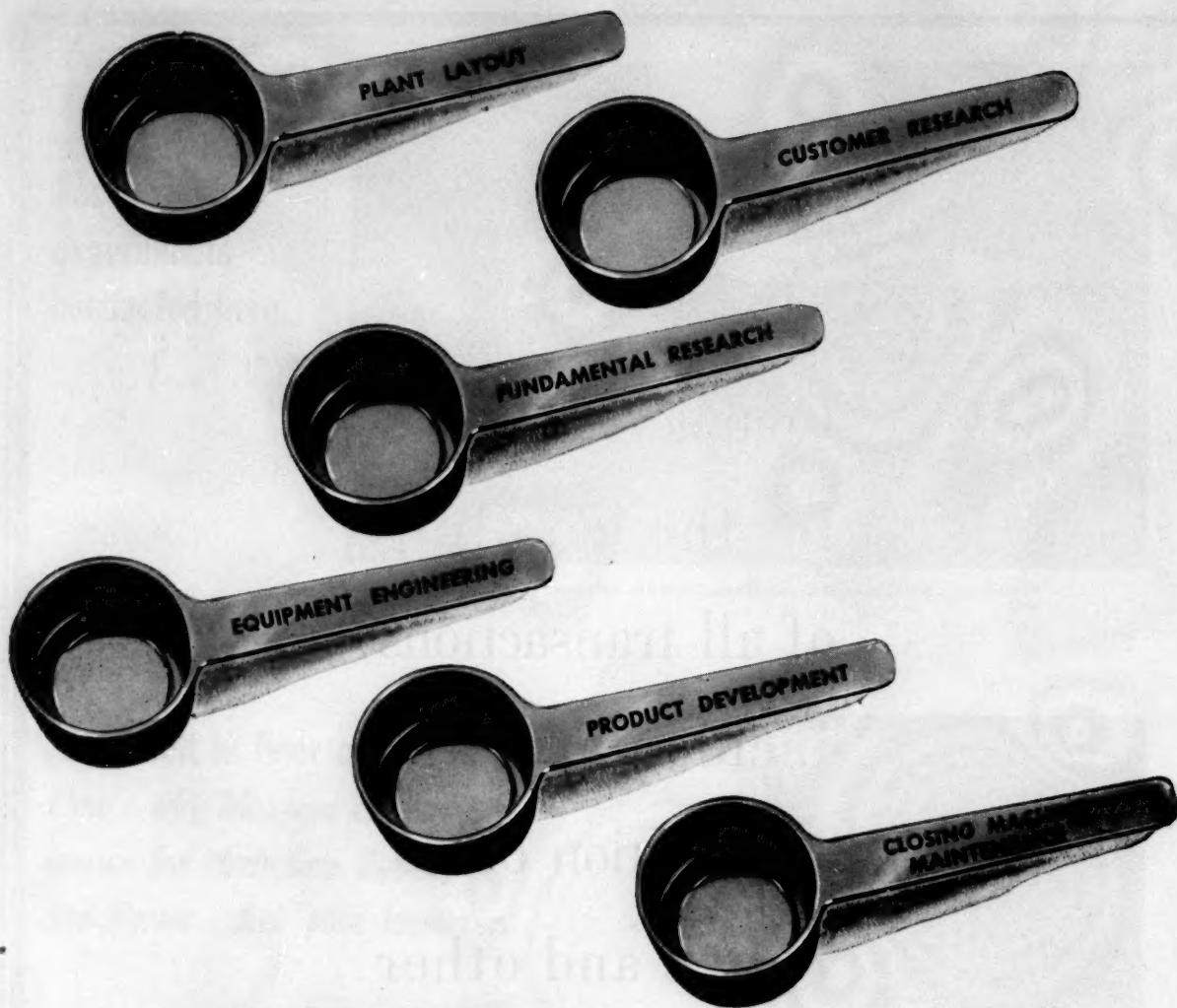
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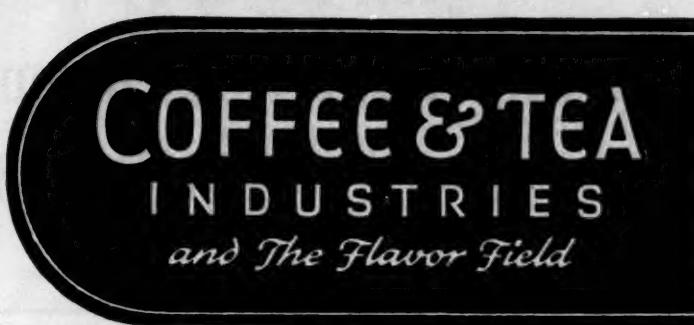
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78th Year

OCTOBER 1955

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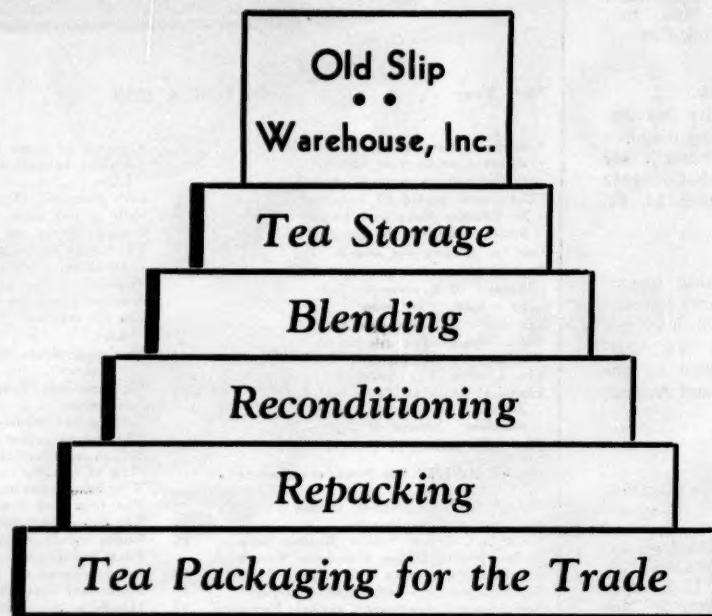
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# A medical appraisal of tea

By HENRY J. L. MARRIOTT, Associate Professor of Medicine and  
Head of the Division of Physical Diagnosis,  
University of Maryland School of Medicine

*This is another of the papers presented to the forum on the medical aspects of tea held at the New York Academy of Sciences. (See: "Scientists at historic symposium explore effects of tea drinking," June, 1955, COFFEE & TEA INDUSTRIES, Page 83; "Introduction," July, 1955 issue, Page 43; "Beverage and dietary aspects of tea," August, 1955, Page 43). The symposium was sponsored by The Biological Sciences Foundation, Ltd., Washington, D. C. Italics in the article below are ours, not the author's.*

In approaching tea from a medical point of view, one is first impressed with the scarcity of knowledge and writings on the subject. *Tea is a beverage that is allowed in almost every medically prescribed diet.* Its first commercial advertisement in England in 1658 claimed the universal blessing of the medical profession—"that Excellent and by all Physicians approved China drink . . ." And this today appears to be hardly an exaggerated claim. *In the diet manual of the Mayo Clinic,<sup>1</sup> for example, tea is permitted in all diets except those catering to acute gastric emergencies. By some authorities tea is considered the beverage most suitable for any disease of the digestive system.<sup>2</sup> Others, while warning expressly against coffee, recommend tea in the diet for both healthy and sick children.<sup>3</sup>* It is surely astonishing that a beverage so widely accepted in medical circles has received so little scientific scrutiny.

## Effects on the gastro-intestinal tract

The system in which the ingested beverage first finds itself has not unnaturally received the most attention. In 1939 Halpenny and MacDermot<sup>4</sup> spent a month investigating the effects of tea on ten young healthy adults. Three 8-ounce cups of a 5-minute brew of good tea drunk at 45-minute intervals produced universally "pleasurable" effects, whereas a 10-minute brew produced "definite symptoms of distaste, with slight nausea and some abdominal discomfort in three cases." The addition of milk and sugar to the stronger brew eliminated these unpleasant reactions. With a cheaper brand of tea even the 5-minute brew produced abdominal discomfort in four subjects and one was slightly nauseated by the third cup. Again when milk and sugar were added all subjects found the brew "pleasant enough." With the 10-minute brew nearly all subjects were nauseated and many complained of abdominal discomfort. Even with sugar and milk some discomfort was produced by this strong brew, though it was found more palatable.

These workers also observed the effects of the two main constituents of tea, caffeine and tannin. Six 2½ grain doses of caffeine (about the amount contained in an ordinary cup of coffee) were administered in hot water and caused marked general disturbances in all subjects—after the second dose all became nauseated and depressed and two

vomited; some had abdominal pain. Six 5-grain doses of tannic acid produced nausea in all cases after the second dose and five vomited with the third. Several developed abdominal discomfort and all were constipated. The combination of caffeine and tannic acid in the same dosage produced less discomfort, though some were nauseated and all complained of the unpleasant taste. It is important to point out that the tannic acid of the pharmacopeia is not identical with the natural tannin of tea. Indeed the supposed harmful effect of tea on the alimentary tract has probably been assumed, as Wirts and his colleagues<sup>7</sup> point out, because tannin is so often considered synonymous with tannic acid.

Four gastric analyses were carried out on each of the ten subjects. The effect of tea on gastric secretion was compared with that of alcohol and of hot water and it was found that tea had no constant effect on peptic activity and did not stimulate acidity any more than hot water alone. This finding was much in accord with Gantt's experimental work on dogs<sup>5</sup> showing that a mixture of tea and bread had an effect on gastric secretion similar to that of bread and water.

Halpenny and MacDermot<sup>4</sup> further carried out in vitro experiments by incubating gastric juice with tea. They found that the digestive activity of 1 ml. of gastric juice was only slightly depressed by 5 ml. of a 5-minute brew of tea, but 10 to 30 ml. caused a definite decrease in peptic activity. Again, in a similar experiment using the active principles, caffeine and tannin, they found that caffeine in amounts up to 2 grains effected no reduction in peptic activi-

(Continued on page 28)



Health benefits in tea drinking are expected to be much more clearly understood as a result of the historic medical symposium on tea held earlier this year at the New York Academy of Sciences.

# Tea drinkers



Never felt so young! What a pick-up!

Take tea and see.  
Better for you.

Take tea and see.



We're here in a lunch wagon to-day talking to people about tea.

Yeah—my buddy switched me over about a year ago. Pretty darn good, too. I feel better nowadays—not jittery any more.

My buddy switched me to tea... so I switched my wife. Now the whole family has it every night for supper!



Take tea and see.

For the pick-up that leaves you feeling good...

Take tea and see.

# take over as Tea salesmen on TV

**NEW TEA COUNCIL TV FILMS TELL HOW  
PEOPLE BECOME DAILY TEA DRINKERS**

You're looking at the new Hot Tea TV commercials, now on the air waves with a brand-new person-to-person selling approach that research told us was tops.

Did you notice what our typical tea drinker had to say about tea—and how he got the daily habit?

You can count on his reasons being the ones that *really sell tea*. That's because we had a famous university conduct a study to make sure.

Perhaps you noticed some other new things about this commercial. The opening jingle that's been so successful in the past now has more fun than ever. And there's a new closing theme—also carefully tested for effectiveness—"the pick-up that leaves you feeling good."

These new commercials, based on thorough research and testing, are designed to help continue modern America's trend toward tea.

**tea  
council**

*of the U. S. A., Inc.*

**500 Fifth Avenue, New York 36, N. Y.**



# "tea needs period of stability now"

These penetrating remarks on the tea situation are from the address by Sir Charles Miles to the 75th annual general meeting of the Indian Tea Association (London). Sir Charles was retiring as chairman of the association.

I would, with some diffidence, but without much fear of contradiction, suggest that 1953 and 1954 have at least been as eventful as any years in our history . . .

The events of the past few years have not departed from pattern, and it is perhaps reasonable to ask why a well-organized industry such as ours cannot prevent wide fluctuations in prices.

The answer is, of course, that tea, like any other commodity, is governed in the end by the inexorable law of supply and demand.

## Report on Tea Association's 10th convention in next issue

As this issue of COFFEE & TEA INDUSTRIES, formerly *The Spice Mill*, goes to press, the Tea Association of the U. S. A. is holding its tenth annual convention at The Greenbrier, White Sulphur Springs, W. Va.

Full coverage of decisions and discussions at the convention will appear in the next issue.

A special section, centering on the convention and reviewing the postwar decade in tea, appeared in the September issue.

History will also reveal that there was a period before the last war when regulation of exports did achieve a very large degree of stability. In this connection it is interesting to study figures relating to the period before the Second World War and today. In the five years 1935-39 the average total annual supply was 981,000,000 lbs., and world demand averaged 983,000,000 lbs., which, I think you will agree, pays tribute to the work of the International Tea Committee in endeavoring to secure equilibrium between supply and demand. Fortunately, both have increased steadily, and for 1954 it is estimated that world supply amounted roughly to 1,300,000,000 lbs., and demand to approximately 1,280,000,000 lbs.

These 1954 figures justify the statements which have constantly been made that there was no sound reason, so far as we could see, for the fantastically high prices paid for tea during 1954. The greater proportion of the world's supply of tea is sold in auction, and the high prices were never sought by producers and, indeed, were deprecated by us all.

The truth of the matter is that there was a grave error of judgment, and buyers generally miscalculated the position. Despite disrupted communications in India, dock strikes in Calcutta and London, with the diversion of tea to the Continent and the uncertainties of export releases in India, we believe that buyers could have cover-

ed themselves earlier in the year instead of allowing their stocks to run down and then all coming in to buy large quantities at the same time.

Let me make this quite clear: we have not the slightest objection to the buyers paying us high prices, but what we did resent was the rocketing of retail prices and the consequential antagonism against producers that this roused in the press and in the public mind . . .

Now a word about the auctions. The United Kingdom is the world's largest buyer of tea, taking about 50% of world requirements (excluding the producing countries themselves), and supplies for this market are purchased not only in the auctions in London but in the auctions in Calcutta, Colombo, Cochin and Chittagong. All these markets, I would suggest, are pipelines forming outlets for tea supplies, and they are all complementary one with the other. It is not unnatural that the governments of the producing countries would like an increasing quantity of the tea sold in the auctions held in their own countries.

So far as India is concerned I would point out that the quantity of tea offered in Calcutta for auction has practically doubled since 1938, and in the case of Cochin, where auctions were commenced in 1948, the quantity has risen from 5,000,000 lbs. to 35,000,000 lbs.

Last year, however, the government of India appointed a Commission of Inquiry to investigate ways and means of increasing auctions of tea in India, and as a result the I.T.A., Calcutta, have been asked to undertake the administration of a voluntary scheme for Northern Indian teas under which the quantity of tea which can be exported unsold to the United Kingdom will be limited to a prescribed figure.

We are anxious to co-operate with the government, but I feel that the progressive increase which they desire would have come on its own, and, indeed, has come about in the natural sequence of events, and the matter could have been left well alone.

There is, of course, one particular danger, namely that it is not possible for the large number of small buyers in the United Kingdom to maintain organizations in India. In this event the trade could easily become concentrated in the hands of a few large firms, and any action taken which may react detrimentally to the biggest buyer of tea—the British public—must be deprecated.

I must confess that I still belong to the school of thought that believes in the free play of economic forces with the minimum of control, and that in the long run excessive tampering with these forces creates mischief and eventually does harm.

There is perhaps one other matter regarding supplies to which I should refer and that is the introduction of a slab system of export duty by the government of India in the last Finance Act. The relation of the export duty to the prices paid in auction is sound, if anything to do with export duties can be said to be sound, and perhaps the cause for complaint is that the rates are too high and that provision is not made for the complete abolition of the duty if the price of tea falls below an economic level.

### Iced tea gadgets among NRA's ten best ideas of the year

Two iced tea ideas are among the award winning ten best gadgets of the year selected by the National Restaurant Association.

One gadget is a perforated pan which fits over a rack of iced tea glasses. The attendant pours the iced tea on the pan to fill the entire rack of glasses in a single, easy operation.

The other gadget is a lemon wedger that pre-cuts the fruit. The lemon is all ready to hook onto the glass after it leaves the slicer.

Both gadgets originated in the S & W Cafeterias, a nine unit chain in the South.

### Junior Tea Board elects new members

Three new members have been elected to two year terms on the Junior Board of Directors of the Tea Association.

A recent meeting named Charles Walter, of Dodwell & Co.; Herbert Thomas, Jr., Hall & Loudon; Normal Langer, De Hope Goldschmidt Corp.

Reelected to the board for three year terms were William Hall, McCormick & Co., Inc., and Reginald Sawyer, of the Cunard Line.

The board accepted the resignation of Robert Lewis, Jr., and named Jock Haigh, of L. D. Seymour & Co., to fill the unexpired term of one year.

### First shipment of tea arrives at Norfolk for new Lipton tea plant at Suffolk, Va.

The first shipment of tea for the new Thomas J. Lipton, Inc. packing plant at Suffolk, Va., was discharged at Norfolk recently by the American Export Lines' Excelsior.

The ship lowered the 100,000-pound cargo to a pier at the Lamberts Point Docks for transfer to the \$1,500,000 packing plant.

The shipment was loaded abroad the Excelsior at Calcutta. It was the first of an estimated 10,000,000 pounds which will be packed annually at the new plant.

Proximity to the ports of Hampton Roads was one of the factors involved in Lipton's locating the plant at Suffolk. The new industry has been hailed by maritime officials as of particular importance in helping develop the area's shipping potential.

### Ceylon's tea industry to be aided by second six-year program

Under Ceylon's second six-year program for providing economic aid to the tea and rubber industries, Rs. 1 million is allotted to establish collection depots, encourage the production of better quality teas and make possible the payment of fair prices.

A further Rs. 3.35 million has been allocated to cover the cost of rehabilitating small tea holdings by means of pest control, anti-erosion measures and manuring.

# IRWIN-HARRISONS-WHITNEY, INC.

## TEA IMPORTERS

NEW YORK • PHILADELPHIA • BOSTON • CHICAGO • SAN FRANCISCO • SHIZUOKA (JAPAN)  
CALCUTTA • COCHIN (INDIA) • COLOMBO (CEYLON) • DJAKARTA (JAVA) • LONDON (ENGLAND)  
MEDAN (SUMATRA) • TAIPEH (FORMOSA)

# Ceylon tea

Second of two parts



## in the postwar decade

By KEITH H. DEAN, Chairman  
The Ceylon Tea Propaganda Board

To turn now to our special field—tea promotion—the past decade has been one of evolution or transition, in which old patterns and ideas have given place to new ones. In view of restrictions in the tea supplies for domestic use in most of the large markets over a considerable part of the period, direct consumer advertising was held in abeyance until fully normal conditions were restored. Gains were, however, scored in the public service and institutional fields, for which adequate supplies were always ensured, particularly in the design and development of canteen and bulk-brewing equipment and in the service of tea in restaurants and other institutions, such as factories, mines and hospitals.

The same tea that sustained the soldier at the war front and the civil-defense worker at home moved into the industrial field with the end of the war for service to the factory and mine worker.

But in the great dollar markets, all curbs had been removed by 1945 and Ceylon, like the rest of the world, found it important to secure dollars. She depended largely on her tea for this. So, with the other producers, she made a determined effort to move the tea-curve in an upward direction both in the United States and in Canada. It was then tending downwards.

This task was first entrusted to the International Tea Market Expansion Board, London, which was the sole agency for world tea promotion on behalf of the black tea producers in India, Ceylon, Indonesia and the British East African territories.

Two events then occurred—important ones, which made history. In 1950, the United States Tea Association joined hands with the International Board and found funds on a matching basis for consumer advertising. This led to the second event, the adoption of television as a medium for tea-promotion. After a successful experiment in the town of Syracuse, a decision was taken to utilize the bulk of the joint fund for television advertising. After three years of it, there is now ample evidence to justify this decision.

Towards the end of 1952, the International Board lost the support of India and Indonesia, and a break in the United States campaign was avoided by Ceylon's action in guaranteeing the full producers' contribution to the joint fund for the ensuing year.

Encouraged by this, the United States Tea Association made a direct approach to the Governments and the tea producing interests of India, Ceylon and Indonesia. So convinced were they all of the importance of this market that by January, 1953, the governments of these three countries had signed an agreement with the United States Tea Association for setting up a fully representative and autonomous organization in New York and keeping it

supplied with funds for promoting tea in the United States. This organization is the Tea Council of the U. S. A., which we all now know.

The success story of the Tea Council is bound to be written elsewhere in this convention issue. I shall only say that a share of this success must necessarily fall to Ceylon tea. It is not only for this that Ceylon values and appreciates her association and partnership with the United States Tea Association.

The Tea Council's progress has been watched across the border in Canada, and in 1954 a similar organization was formed in Toronto under an agreement between the governments of India and Ceylon and the members of the Canadian tea trade. This model has also been followed in West Germany, the Netherlands and Ireland, so that partnership marketing between tea producers and distributors, first started in the United States, has now become a general pattern for tea promotion in other countries as well.

For the future period, we wish success to all these joint organizations and look forward to their consolidation and progress, for their progress will be ours as well, and will be all the more satisfying, as it will have been jointly achieved for the general good of tea.

### Japan exported 5,740,394 pounds of tea to U. S. in 1954-55 tea year

Japan exported 5,740,394 pounds of tea to the United States in the 1954 tea year (April, 1954-March, 1955), according to a summary issued by the Japan Tea Exporters' Association.

Green teas accounted for 3,087,914 pounds, and black teas for 2,652,380 pounds.

The average price for all the exports to the U. S., F.O.B. Shimizu, was 38.41 cents per pound.

Canada took 952,824 pounds of Japanese tea during the tea year.

South America, with Chile predominating, accounted for 3,236,400 pounds. Chile's share of this was 2,960,139 pounds.

Africa was Japan's largest market, the various countries there imported 15,793,790 pounds of tea, most of it green.

Asia took 645,580 pounds, and Europe imported 6,960,204 pounds.

## Calcutta welcomes limit on tea exports to London; likes two market centers

The decision of the government of India on the consignment of Indian tea to the London auctions has been welcomed in Calcutta, according to the *Statesman*, New Delhi.

Access to two market centers assists producers to obtain an economic price, because simultaneous auctions in India and London result in prices which are based on genuine estimates of world supply and demand, it was explained.

London, being an international center for the marketing of tea, possesses all the facilities for determining a world price.

Another important reason for keeping London as a supplementary outlet is that about 50% of the North Indian crop is "rains tea" which is produced between July and October. The U.K. buys the bulk of this crop, and auctions in London assure producers of reasonable value.

According to S. Bhoothalingham, government secretary, the decisions on the exports are as follows:

There should be a progressive reduction in the quantity of tea consigned to foreign auctions. While a ceiling should be fixed every year, it is not considered necessary or desirable to fix the ceiling in terms of the Percentage of the total crop.

Regarding the size of the current crop, the steady in-

ternal demand and the trend of trade, the quantity of tea consigned from North India to London auctions should be limited to 140,000,000 lbs., as against the actual consignments of 209,000,000 lbs. in 1953 and 167,000,000 lbs. in 1954.

In the case of South India, they do not consider it necessary to fix a specific ceiling during the current year because they are satisfied that actual consignments are unlikely to exceed the previous level of 23,000,000 lbs.—a quantity well below 25% of the South Indian crop. The situation will, however, be watched and should different trends appear, steps will be taken to prescribe a ceiling.

The prescribed limit on consignments for auctions should be enforced by voluntary action if practicable. The main producers' associations of North India have expressed their willingness to set up a joint committee which would regulate consignments by their members and ensure that the prescribed ceiling is not exceeded. They hope that all associations concerned will voluntarily participate in this arrangement. Should, however, any association decide for some reason to keep out, the members thereof need not be subjected to any restriction.

The principal producers' associations have given the assurance that even so they would take notice of the quantities actually consigned by non-members, and in the light of this information regulate consignments by their own members in such a way that the ceiling would not be exceeded. In view of this assurance, the government of India accepts this arrangement for the current year.

Warehousing facilities in Calcutta should immediately be enlarged and the Tea Board is requested to take steps for this purpose.

# HENRY P. THOMSON, INC.

## TEA IMPORTERS

89 Broad Street  
Boston, Mass.

120 Wall Street  
New York 5, N. Y.

605 Third Street  
San Francisco, Calif.

*Member: Tea Association of the U.S.A.*

**Tea Movement into the United States**  
(Figures in 1,000 pounds)

	June 1954	July 1954	Aug. 1954	Sept. 1954	Oct. 1954	Nov. 1954	Dec. 1954	Year 1954	Jan. 1955	Feb. 1955	Mar. 1955	April 1955	May 1955	June 1955	July 1955	Aug. 1955
<b>Black</b>																
Ceylon	4,742	1,585	1,022	2,190	1,653	1,640	1,963	39,856	2,363	2,201	5,055	3,348	2,958	1,925	3,219	4,136
India	3,167	1,588	1,545	2,144	2,283	2,410	3,385	40,871	3,188	3,067	7,203	3,162	3,333	955	647	1,416
Formosa	92	730	706	677	501	621	372	4,799	801	362	227	136	8	79	67	71
Java	1,167	882	429	329	667	688	629	10,004	1,206*	...	...	...	...	...	...	...
Africa	1,272	708	258	677	272	67	132	5,710	134	199	319	69	942	277	383	462
Sumatra	494	280	130	383	137	289	386	4,691	...	...	816	1,280	1,561	812	1,130	1,006
Indonesia											217	160	25	14	20	1
Japan																7
Misc.	274	253	266	580	571	452	923	5,461	489	653	871	1,502	561	386	245	391
<b>Green</b>																
Japan	328	371	532	512	242	249	179	3,399	231	27	13	14	59	70	311	306
Misc.	5	43	40	12	64	29	27	249	16	5	3	5	...	...	5	2
<b>Oolong</b>																
Formosa	21	20	19	58	70	36	39	377	5	36	9	10	9	32	12	21
Canton	...	6	28	28	10	14	6	93	2	...	5	6	6	3	3	9
Scndt Cntr	2	...	22	14	10	13	3	64	2	2	7	11	10	9	2	9
Misc.	18	2	...	26	...	14	7	3	...	...	...	...	...	...	...	...
<b>Mixed</b>	...	...	25	...	10	...	...	138	1	6	10	12	5	13	1	7
<b>TOTALS</b>	<b>11,584</b>	<b>6,468</b>	<b>5,022</b>	<b>7,630</b>	<b>6,490</b>	<b>6,522</b>	<b>8,051</b>	<b>115,715</b>	<b>8,439</b>	<b>9,591</b>	<b>14,977</b>	<b>9,860</b>	<b>8,717</b>	<b>4,902</b>	<b>5,797</b>	<b>7,685</b>

*Figures cover teas examined and passed, do not include rejections. Based on reports from U. S. Tea Examiner.*

\*Combined with Sumatra

## Tea is now Uganda's fourth most important export crop, UTB says

*(This brief summary of tea in Uganda was prepared for Coffee & Tea Industries by the Chairman of the Uganda Tea Board, Kampala.)*

The tea industry was established in Uganda 25 years ago, and it now ranks as the country's fourth industry in order of exports. In 1954 exports of tea were valued at £950,000.

The industry is capable of very considerable expansion, given the necessary capital.

Production in 1954 amounted to 6,500,000 pounds. It is estimated, however, that the potential output is some 23,000,000 pounds.

Some 23,000 acres are actually licensed for tea growing, but the production last year was achieved from the cultivation of less than 10,000 acres, of which some 4,000 acres were under either new plantings or immature tea.

Tea in Uganda is essentially a plantation crop, as its cultivation does not lend itself to the traditional forms of peasant agriculture. The government, however, has recently acquired many acres of valuable land already under tea, and one of the purposes of the acquisition is the training of Africans in this industry.

Figures of recent Uganda tea production are as follows:

1949	3,360,050 lbs.
1950	4,142,584 lbs.
1951	4,257,763 lbs.
1952 (Drought year)	3,826,855 lbs.
1953	4,793,927 lbs.
1954	6,265,058 lbs.

## Ceylon leads in proportion of new ITC tea plantings

The International Tea Committee has revealed details of the extension and replacement of tea acreage by the signatory countries, notes Planting and Commerce, of Ernakulam, India.

According to these figures India has taken advantage of permissible area of new plantations only to the extent of 40% during the agreement period 1950-1955.

During the same period, Ceylon has taken advantage of the permitted acreage to the extent of 67%.

In terms of acres, India's new planting was 18,575 acres and that of Ceylon 19,783 acres.

No reason has been given either for the reluctance of producing countries expanding the acreage to the full permissible limit or for Ceylon's lead over India.

"India, with all its ample labor resources and stress on expansion seems to have lagged behind, and it would be worthwhile to make an objective examination of the causes that lead to this retardation in the growth of the tea industry during a period of seeming prosperity," Planting and Commerce comments.

## Managing route salesmen

### is subject of new book

Organizing, supervising, and stimulating route salesmen is a function very different from sales management in the usual sense of the term. It is a subject that has been almost completely ignored by business writers and publishers. Now that need has been met by a new "Handbook for Route Sales Executives," written by Fred DeArmond.

The "Handbook" is published by The Mycroft Press, Springfield, Missouri, at \$6.

### Continue tea-growing efforts

#### in Australia and New Guinea

A report on the progress in the growing of tea in Australia was made recently by the Director of Agriculture in the Queensland Department of Agriculture and Stock, speaking in the Australian Broadcasting Corporation's program "The Land and its People," according to The Tea and Rubber Mail, London.

Director W. J. S. Sloan, told of the fascination which the problem of tea-growing has held for the Bureau of Tropical Agriculture whose main task is to examine the possibilities of producing tropical crops which are not yet grown commercially in Queensland.

The Bureau first planted tea in 1936, but it was not until 1950 that the work was intensified, following indications of increased demand and rising prices.

The two considerations at that stage were, firstly, whether a tea of suitable liquor character would be produced for the Australian market, and secondly, to what extent the high cost of labor could be countered by mechanical plucking.

At the beginning of the trials, the planted tea area consisted of six-year-old tea which is now in good vigor. Production has been at the rate of approximately 1,000 pounds of made tea per acre, which is a satisfactory initial average.

Regarding quality, professional tasters with tea companies in Australia and London have reported favorably.

The Bureau is also satisfied that the cost of planting-out, fertilizing and cultivation could be kept within reasonable bounds, but has encountered a serious obstacle in the

shape of harvesting costs. Manual labor under Australian conditions would far outweigh, in expenses, the advantages to be gained from avoidance of overseas revenues and ocean freight charges from the East.

Initial efforts towards mechanical plucking have been based on the modification of electrically-driven hedge clippers. There appears to have been no appreciable reduction in quality in machine-harvested tea as compared with that plucked by hand but there has not, as yet, been a sufficient reduction in costs.

A new area has now been planted on the hedge-planting system, and it is hoped that this will facilitate the use of clippers or some other mechanical contrivance.

The problems encountered in New Guinea, an Australian Trust Territory, are not identical.

A private company registered in South Australia began planting in 1950 shortly after the New Guinea Administration started research into the possibility and commercial cultivation. Seed from Queensland was used, and the object was to ascertain the economic feasibility of tea growing in New Guinea and to furnish technical information to commercial planters.

Experiments have again shown that good quality tea can be grown and labor is cheap, although inexperienced. The principle difficulty is the high cost of air transport necessitated by the mountainous nature of the country.

#### India and Ceylon building tea markets

Both India and Ceylon have now taken steps to encourage the development of their own centers—Calcutta and Colombo—to market their teas. Indonesia is considering similar steps.



Mountain grown  
for quality  
•  
Carefully selected

Ask Your Importer for

UNCOLORED

JAPAN GREEN TEA

Japan Tea Exporters' Association

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SHIZUOKA, JAPAN

Cable Address:  
EXPTEASSN

# The London Tea Auctions

*In the world movement of tea, the London Tea Auctions are pivotal. This clear, concise picture of the auctions was issued by The Tea Trade Committee, London.*

Tea auctions in London have been held since 1834, prior to which date teas were offered in brokers' own sale rooms.

From 1834 to 1839 China teas only were offered, and in January, 1839, the first Indians came to auction. Regular auctions took place in the London Commercial Sale Rooms from 1834 till 1937, when they were transferred to the present room in Plantation House.

Sales are now held on three days in each week; Mondays and Wednesdays being reserved for tea from North India, Pakistan, Africa, Indonesia, Japan and Formosa; and Tuesdays for tea from Ceylon and South India.

Before entering the auction room every buyer has already obtained a sample of each lot, has tasted it carefully and has marked a valuation in his catalogue.

The speed of the auction does not allow time for the auctioneer to give a description of each lot, as happens at other sales, neither can he use the time honored formula: "going, going, gone." The bids come very quickly and cease abruptly—a small tap of the hammer and the bidding for the next lot starts immediately.

Each firm of buying brokers will have valued every tea in the day's catalogue and will have called on the buyers before the sale, hoping to receive their buying orders. It may therefore well be that one firm of buying brokers will—before the sale—have in their catalogues one, two, three or more orders for the same lot of tea at one and the same price. This explains how it transpires that there may appear to be little bidding in the room, as competition has already begun to play its part by eliminating the lower orders before bidding.

Buyers' representatives are nearly always in the room to watch the sale and have countless and varied methods of communicating with their buying brokers should they decide to advance the bidding.

The auctioneers act for the growers, and as the buyers do not want competitive firms to know precisely which lots they buy, they operate through brokers. These buying brokers are addressed by the name of their firm, or by the surname of the individual bidder.

Buyers sometimes give their orders to the chair, which is

the name given to the market men, who stand in the box on either side of the auctioneer. It may seem puzzling to hear one member of the chair bidding against another member of the chair, but the reason is that they are acting for different buyers.

With this method of buying through brokers, the auctioneer has only to watch or listen to 15 or 20 voices, which cover the very much larger number of packers and dealers throughout the country.

The auctioneer normally suggests a price which is at or near to his valuation of each lot as it is offered. Bidding, once started, advances normally by  $\frac{1}{4}$ d per lb. The average break, or lot of tea, is between 30 and 40 chests (of about 110 pounds each) but it is common practice to divide lots between two or more buyers. Divisions are normally in multiples of six, as weight notes of tea are made up in sixes. This facilitates the competition from the smaller buyers who are not in a position to buy big parcels of one and the same tea.

This division of parcels is not a device to fix the price but rather a method by which all buyers have the chance of sharing in the greatest number of varieties of teas in one and the same sale.

If a buyer wants as much as possible of a particular tea he may agree to give away, say, only half the parcel, but in the case of another tea he may be prepared to divide it into four or five or more lots.

Sometimes the question may be heard "Can I have part?" and the answer, "No, sorry, I've got four in it" would imply there was no room for a fifth buyer to get a multiple of six chests. The buyer or buyers "shut out" will then on a strong market give another  $\frac{1}{4}$ d, and so the bidding advances until the lot is finally knocked down to one buying broker whose name shall be declared by the auctioneer after announcing the final price.

## a medical appraisal of tea (Continued from page 19)

ty, whereas  $\frac{1}{2}$  to 1 grain of tannic acid in 10 to 30 ml. of water had a definitely depressing effect. When the two substances were mixed together it was found that 1 grain of tannic acid depressed peptic activity less and less as more and more caffeine (from  $\frac{1}{6}$  to 1 grain) was mixed with it.

Gastroscopic examination in three subjects, immediately after completion of their month of experimental tea-drinking, revealed a mild superficial gastritis with slight reddening



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of the gastric mucosa and occasional adherent patches of mucus. A single subject was submitted to two barium meals—one preliminary and one later with 150 ml. of a 5-minute brew of tea mixed with the barium; a comparison of the two series showed that the tea-mixed barium "produced some slowing of advance from the stomach." On the other hand, Miller and his co-workers<sup>6</sup> had previously found that evacuation of the stomach was not appreciably delayed by drinking excessive quantities of many beverages including tea, both hot and iced. More recently Wirts and his colleagues<sup>7</sup> in Philadelphia found a consistently increased rate of gastric emptying when tea instead of water was given with a variety of test meals. Iced beverages were noted to produce more rapid emptying than hot. This role of temperature agreed with findings of previous workers.<sup>8-9</sup> The Philadelphia group confirmed the increased rate of emptying by fluoroscopic studies also and established that there was an increase in gastric tone and motility after hot tea by means of an intragastric balloon. They therefore venture to rationalize the long-held belief that a cup or two of tea at meal time facilitates digestion and diminishes post-prandial distress; for it is generally held that the distress noted after a heavy meal is due to decreased gastric tone and motility. They go on to point out that accelerated gastric emptying is associated with increased motility of the small intestine as well as the flow of biliary, pancreatic and intestinal juices, and it may perhaps be inferred that such secondary activity also follows the ingestion of tea.

They also studied the effect of tea on gastric secretion and found that in the fasting stomach tea was not a potent secretagogue; this was probably because, like water, tea does not stay long enough in the stomach to have much effect on

gastric secretion. It produced an increase in gastric acidity comparable to that induced by an equal quantity of water at the same temperature. On the other hand they found slightly less pepsin in the gastric secretion after tea than after water though they doubted that the difference was significant.

#### Cardiovascular and renal effects

There has been remarkably little study of the action of tea *per se* on the heart, blood vessel or kidneys. In a study by Eggleston<sup>10</sup> the diuretic effect of tea was compared with the effect of a similar quantity of water and it was found that tea diuresis was fairly consistently about 1.55 times greater than water diuresis. It was also found that total chloride output in tea diuresis was 2½ times greater than in water diuresis. During both tea and water diuresis, exercise produced a temporary decrease in output of creatinine, total nitrogen and chloride. This reduction was of shorter duration during tea than during water diuresis.

Halpenny and MacDermot<sup>4</sup> noted cardiovascular effects in their studies with caffeine and tannin. Caffeine, as expected, caused a rise in pulse rate; contrary to expectation, however, the drug caused a rise in systolic blood pressure of 10 to 30 points in all subjects. With tannic acid they found that the pulse was markedly slowed and the blood pressure lowered though not constantly. With combined caffeine and tannin the pulse was slowed in some cases but there was no consistent change in blood pressure. Although it is usually stated that the fall in blood pressure following the administration of caffeine is slight and transient, a recent German study<sup>11</sup> has presented evidence that it can reduce blood pressure for as long as two hours.

For caffeine it has been claimed<sup>12</sup> that its diuretic and

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cardiac effects make it a useful adjuvant in cardiac failure; this remains to be proved for tea itself.

#### Effect on metabolic rate

Few other aspects of the influence of tea appear to have been investigated. One further study, however, is of some practical importance and might profitably be confirmed. Halpenny and MacDermot<sup>4</sup> studied the effect of tea on the metabolic rate in 16 subjects. The basal rate was first determined with the subjects fasting; it was then redetermined on half hour, one hour and a half, and two hours and a half following various combinations of 5-minute and 10-minute brews of tea, with or without milk and sugar. They found changes to be negligible in all cases. This is a finding well worth confirming, for the routinely imposed fast before a basal metabolic rate determination is a hardship to some patients which would be significantly alleviated by a cup of tea.

#### Conclusion

In summary, from the scant evidence available, it would seem reasonable to conclude that tea is a relatively harmless beverage in all sorts and conditions of health and disease. Whether it is of significant medicinal value is another matter and one which yet remains to be clearly proved. There can be little doubt of its virtues as a 'pick-me-up' and we owe the delectable habit of afternoon tea to the gracious Duchess of Bedford who in her own words staved off that "sinking feeling" with tea and cakes at 5 p.m. Its effect on fatigue and its modest value as a dietary adjunct have been dealt with in earlier chapters of this symposium. Tea may well deserve its reputation as a digestive aid and it seems probable that it may be a useful mild diuretic, though whether it has any virtues in this regard over and beyond that of its contained caffeine is yet to be determined.

The constituents of tea are legion. We know that it contains at least the following: caffeine, theophylline, theobromine; tannin, essential oils; fluorine, adenine,<sup>13</sup> glutathione; vitamins<sup>14-15-16</sup> (nicotinic acid, riboflavin, ascorbic acid, thiamin, pantothenic acid); amino-acids<sup>17</sup> (aspartic acid, arginine, theanine, asparagine, glutamic acid, glycine, valine, leucine, threonine, alanine). Many of these substances are present only in traces and it seems to be generally assumed that the pharmacology of tea can be stated in terms of caffeine, or at least in terms of caffeine plus tannin. We have already seen from the experiments of Halpenny and MacDermot<sup>4</sup> that mixtures of caffeine and tannic acid modify the "pure" actions of each other. Many years ago Macht and Schroeder<sup>18</sup> commented on the "well known fact" that coffee, even in small quantities, had rather unpleasant effects on many people who suffered no such effects from tea. They then showed that if caffeine were administered with adenine (which is present in tea), its effects were below the expected level. Thus it would be anticipated that if equal amounts of caffeine were consumed in tea and in coffee,

the tea-caffeine would be less effective.

Another variable that may clearly modify the pharmacological effect of tea is the length of brewing. Three minutes after pouring boiling water on tea most of the caffeine has been extracted and the caffeine/tannin ratio is at its highest. A longer brewing adds progressively more tannin but little or no additional caffeine. From the palate's point of view, probably the prescription of Sir Kenelm Digby is most satisfactory: "the hot water is to remain upon it no longer than whiles you can say the Miserere Psalm very leisurely."

There is clearly no knowing how one or another of the many known and unknown constituents of tea may not modify the effects of others; nor how the various proportions of the constituents may not be affected by the time of brewing. It is therefore not enough to state the well known properties of caffeine and the less known properties of the elusive tannins and to say that these are the properties of tea, any more than it is true to say that the action of another leaf, digitalis, is identical with that of one of its glycosides.

Tea should be investigated in the form of its own imitable infusion and not qua caffeine or any or all of its other components. The chemical mosaic that nature puts together defies the stratagems of the human analyst and, both atomically and pharmacologically speaking, there is undoubtedly more in this gentle beverage than meets the chemist's eye.

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# Editorials

## Meeting Mrs. Consumer — at last!

Coffee conventions have one great value, apart from all others.

They give the industry a pivot point on which to hang its thinking.

This is the time trade leaders stop to look at the basic questions: Where are we? Where are we heading? What should we be doing about direction and speed?

Such moments in time, when we stop for the long look, are important. Without them, we can lose ourselves among the trees without knowing the shape of the forest.

We can be caught up in intense day-to-day business, working like beavers, yet not know how we stand, fundamentally.

This year, more than before, the convention is a pivot point for thinking.

It's especially true, of course, for the coffee people who have been busy for months working out theme, topics, and speakers for the business sessions at the convention.

But it's true for many others, too. Consider, for example, the articles on coffee which appear in the special NCA convention starting on the next page.

In number, alone, these articles probably make up the single largest collection of coffee material ever to appear in an industry publication.

But it is the content which is, of course, significant. In scope the articles cover all aspects of the industry—overall policies, industry promotion, company merchandising, plant techniques, brewing developments.

Soluble coffee is reviewed from many aspects, including a provocative status report by a man who should know.

Representatives of many producing countries pinpoint their key problems, their solutions.

Trends in coffee markets other than the United States—all entering to shape tomorrow's developments—are reported by top industry men in those countries.

The scope of the articles is as broad as the industry itself. Yet far more significant than the scope is something else.

From all the material emerges the conclusion that *the coffee industry in the United States is on the brink of a new era.*

Ever since the great price crisis of 1953-54, the industry has been painfully aware of great new problems.

Consumer attitudes had been altered to the disadvantage of the industry. Consumption was down. Coffee was being stretched.

At the 1954 convention, it was inevitable that strong talk should be made about the need for a "crash" program of industry promotion.

Some of the strongest of that talk came from this very corner.

It was good talk, and justified. The industry *had* lost ground. Big steps *were* needed to take back that ground and to go beyond in the face of staggering competition.

Yet there was something baffling and frustrating in the situation.

In part the feeling came from lack of money. NCA's leaders were fighting hard to win an astonishingly modest, clearly inadequate sum for public relations.

They won, but the great, bold, sweeping enthusiasm which would think in terms of NCA funds in the hundreds of thousands, even in the millions, in keeping with the size of the industry—and not in mere thousands—was missing.

The Pan-American Coffee Bureau, the single largest source of coffee promotion funds in the past, was facing dwindling returns as imports into this country shrank.

Yet lack of money wasn't, alone, the heart of that feeling of frustration.

Now, as the industry gathers its thinking for the 1955 convention at San Francisco, the answer is clearer.

Last year we thought we knew what had to be done to retake lost ground. But it is now apparent we were thinking only in generalities.

*We had not troubled to take a good, detailed look at Mrs. Consumer.*

We knew, of course, that things were bothering her. She had been given a rough time on coffee prices. The press had fed stories to her—many of them, especially in the beginning, full of heat and fancy.

We wanted her, now that the heat was off, to buy more coffee. But we didn't know what stood in the way—what specific ideas and attitudes were determining the way she bought her coffee.

We didn't know exactly what to tell her, different from what we had already told her, to convince her to buy more coffee.

We didn't know in what ways to tell her so she would listen most readily.

We didn't know what to suggest to her—other than big generalities—to open up with her new areas of coffee consumption.

Now, at the San Francisco convention, we are about to find out.

NCA arranged for a study of the coffee consumer to be conducted by a research organization. The results of that study will be given to the convention.



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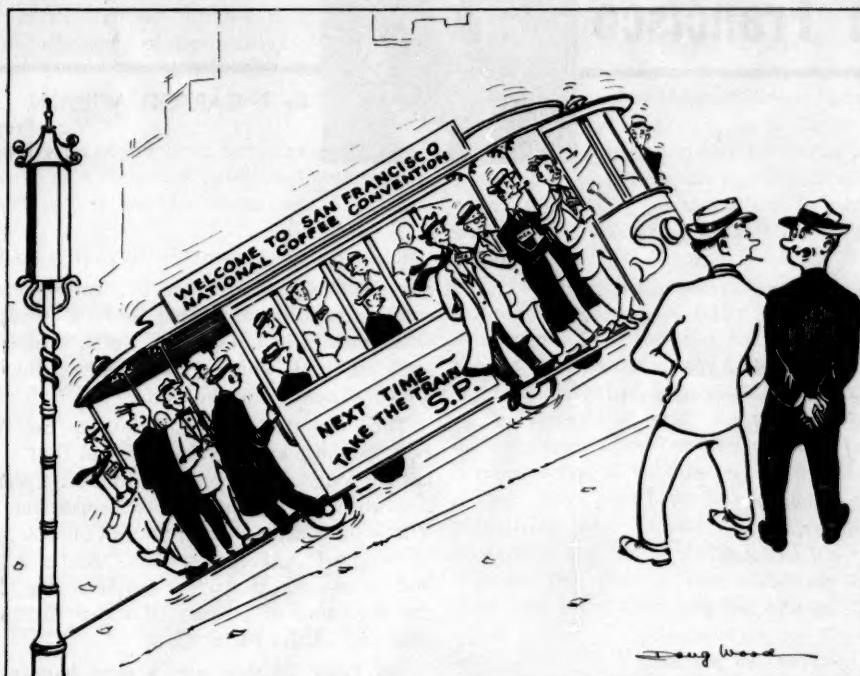


San Francisco

# WELCOME TO SAN FRANCISCO

*Trade Roast*

By DOUGLAS WOOD



"What a nice blend of green and roast at the bottom of Nob Hill—if the cable should suddenly break!"

## Gold! . . . Yellow, Green and Brown

By ERNEST L. SHAW, President  
Pacific Coast Coffee Association

Welcome to California, all ye seekers of Gold!

This is the place to "come and get it." This is the place where it was found—all colors almost all at the same time.

Yellow Gold in 1849—the Gold Rush—the lusty lure that drew people to California and rewarded them in the greater riches of vast mountain ranges and snow-capped peaks, giant forests and low-lying, sun-warmed valleys. Climate unmatched in all the world.

Green Gold—in that same year of 1849—with the first importation of green coffee "around the Horn" and into San Francisco—seven months by clipper ship from New York—(seven weeks today from the most distant point at Der es Salaam, Africa).

Brown Gold—in 1850—with the opening of the first commercial coffee roasting plant in the "City by the Golden Gate."

Yes, we offer you gold in the warmth of our welcome, the hospitality that comes from our hearts.

San Francisco is truly a coffee city—a fitting place for this great 1955 convention of the National Coffee Association. It is the birthplace, and the site of rededication of the organization of United Nations. And what more potent force can we ask and hope for in securing the stability of this great industry of ours that perpetuation of the principles of world peace and free world trade that rest in the groundwork established on those historic occasions?

I could fill the pages of this book extolling the virtues of the Pacific Coast coffee trade, citing statistics on coffee imports into San Francisco and Los Angeles; and in the north to Portland, Seattle, Tacoma, and even Vancouver in British Columbia. They would be impressive, but

(Continued on page 132)

## coffee roasting in San Francisco



By T. CARROLL WILSON,  
Vice President  
Hills Bros. Coffee, Inc.

*Across plain, mountain, desert, water,  
Despite pain, redskins, sickness, danger,  
they went,  
Lured by a giant rainbow that  
straddled the nation from east to west  
with a potful of hope  
at the end of it.*

*Some sought adventure,  
Some easy money,  
Some went for the climate  
and some for the ride.  
By wagon, foot, ship and rail  
they went,  
praying and groping and planning,  
their minds soaked with the words  
of those who had got there first.  
Some of the words sang,  
others commanded:  
("Go West, young man. Go. Go West.")  
All were hot with hope,  
pregnant with promise.*

*They were part of the vanguard:  
the immigrants, the pioneers, the dreamers  
of the forties, the fifties, the sixties  
and the seventies.  
They were the spirit of America,  
the builders of tomorrow.*

*Anon.*

That was San Francisco . . . in the beginning.

What did those hardy pioneers do for their coffee hunger after the precious, priceless, small supplies so rigorously guarded through the long days and the long nights of the trek across the plains . . . through the mountains . . . by oxcart and wagon train . . . the stormy clipper voyage around the Horn . . . were gone?

Who knows? Someone, perhaps. But history doesn't tell.

It is written in the book, though, that in 1849 Bela Wellman, who in 1847 founded the wholesale grocery firm of Wellman, Peck & Co.—which later entered the coffee roasting business—accomplished the first importation of

green coffee into the Port of San Francisco. The shipment presumably originated in New York, and in a day when there was no Panama Canal, completely circled the areas of land which today embrace the greatest coffee-growing countries in the world.

Then was the cry . . . "Heat up the frying pan boys! Bela Wellman's got green coffee to sell!" But that didn't last for long. It was only the following year . . . May 1850 . . . when W. H. Bovee—a coffee man from Ohio and New York—opened the Pioneer Steam Coffee & Spice Mills (later to become J. A. Folger & Co.). And that, according to the best information this writer has been able to obtain, marked the beginning of commercial coffee roasting in San Francisco and on the Pacific Coast.

San Francisco then was a mere handful of people. It is difficult to realize that as recently as 1830—only 125 years ago—the white population for all of California was but slightly over 4,000, and in 1850 San Francisco itself is credited with a total of 36,000. A dozen years later this had grown to something just under 60,000, but only started to really boom with the completion of the nation's first transcontinental railroad in 1869. By 1870, less than one year after the railroad was in operation, the population of San Francisco had almost tripled.

More amazing than these bare statistics was the miracle of San Francisco suddenly emerging as the most shining and precious product of the California Gold Rush. "San Francisco was never a village," has often been proudly claimed. And in spite of what the figures may suggest, this is really no idle boast. Of the origin of San Francisco, one inspired historian has written: "Where barren sand dunes, marshes and brackish lagoons had surrounded an abandoned mission and a decaying fort with rusty cannon, San Francisco sprang into life overnight—a lusty, brawling, he-man town of tents and deserted ships. Business, mushroom-like, flourished in mud-deep streets. Almost before it had achieved a corporate identity, San Francisco was a metropolis—to be named in the same breath with Boston or Buenos Aires, Stockholm or Shanghai."

There are younger cities in America but the vigorous youth of San Francisco can never be forgotten. Certainly no other American city has had a more tempestuous birth or a more colorful development. Scores of writers have tried to

## ★ NCA Convention — Welcome to San Francisco

set down its story; no one has ever fully succeeded. Its legends are too many—there are probably as many legends as there have been old-time San Franciscans. It has a magic quality that is too elusive. It is a city that must be experienced to be understood.

What gives our city its special magic? Does it lie in the beauty of its Bay, or the excitement of its waterfront, or in the challenge of its topography? Or did it emanate from the philosophy and character of its settlers? "Many men have come to San Francisco," a native once said, "but all for one reason . . . because they want more living in their lives."

Whatever the magic is, it has been here almost from the beginning, potent enough to attract hardy and enterprising souls, men imbued with a zest for democratic living and hard work.

Thus followed other men of vision and enterprise along the trail blazed by Bovee into the coffee-roasting business in San Francisco, which was one day—with some 25 or 30 companies involved—to become the city's second largest manufacturing industry, surpassed only by the combined trades of printing, publishing, and bookbinding.

In the latter part of 1853 (or early '54), J. A. Folger, who had assisted in the construction of the Pioneer Steam Coffee & Spice Mills and later sold coffee for Bovee in the mining towns of California's "Mother Lode," bought a part interest in Bovee's business. In 1862—two years before the Civil War—Folger and a man by the name of Marden (who had been a partner since 1859) bought Bovee's remaining interest, the latter having decided to concentrate his attention on mining. By 1866 Marden was gone and

the name changed to J. A. Folger & Co. A dozen years later, August Schilling bought into the firm but sold his interest in 1881 to found A. Schilling & Co. (now a Division of McCormick & Co., of Baltimore).

In all probability the firm now known as Jones-Thierbach Co., started by M. P. Jones shortly after Pioneer Steam Coffee & Spice Mills was established, became the second coffee-roasting concern in San Francisco.

In 1878, Austin H. and Reuben W. Hills, who had followed their father from New England to San Francisco five years earlier, opened the Arabian Coffee & Spice Mills. From this small beginning in a "retail coffee store," the partnership expanded to become known as Hills Bros., and for the last quarter-century as Hills Bros. Coffee, Inc.

In 1880, M. J. Brandenstein formed a co-partnership with John C. Siegfried to deal in teas, matting, tapiocas, whole spices, and Japan rice. Came 1894, Brandenstein bought out Siegfried and, with his brothers Manfred and Edward (who brought coffee into the business from the Washington Manufacturing Co. of which they were heads) formed M. J. Brandenstein & Co.—today the M. J. B. Co.

Alexander-Balart, Sussman & Wormser, Tillman & Bendel . . . all names that spring a swell of sentimental recollection in the early history of coffee-roasting in San Francisco. Several, if not all of these early day coffee roasters demonstrated their power to fall and rise again after being partially or wholly wiped out in the historic San Francisco earthquake and fire of 1906.

Across the span of years, dozens of other roasting concerns have added their influence to San Francisco's reputation

(Continued on page 47)

### *A "capsule" directory of West Coast coffee roasters*

These are roaster members of the Pacific Coast Coffee Association as of July 1st, 1955.

#### SAN FRANCISCO AREA

Alexander-Balart Co.  
Blue Ribbon Products Co., Inc.  
Geo. W. Caswell Co.  
Dale Bros., Inc. (Fresno)  
J. A. Folger & Co.  
Hills Bros. Coffee, Inc.  
Jones-Thierbach Co.  
R. N. Luscombe & Co. (Oakland)  
Manning's Coffee Co.  
Maxwell House Division,  
    General Foods Corp. (San Leandro)  
Milo Coffee Co.  
M.J.B. Co.  
The Nestlé Co., Inc.  
Standard Brands, Inc.  
S & W Fine Foods  
United Coffee Corp.  
Wellman, Peck & Co.

#### LOS ANGELES AREA

Edw. Apffel Co.  
McCormick & Co., Inc.  
Breakfast Club Coffee, Inc.  
Certified Grocers of California, Ltd.  
Farmer Bros. Co.  
Huggins-Young Coffee Co.  
Jewel Tea Co., Inc.  
Lingle Bros. Coffee Co.

#### PORTLAND, OREGON

Boyd Coffee Co.  
Defiance Tea & Coffee Co.  
General Grocery Co., Inc.  
Tucker-Emmrich Co.  
Wadham's & Co.

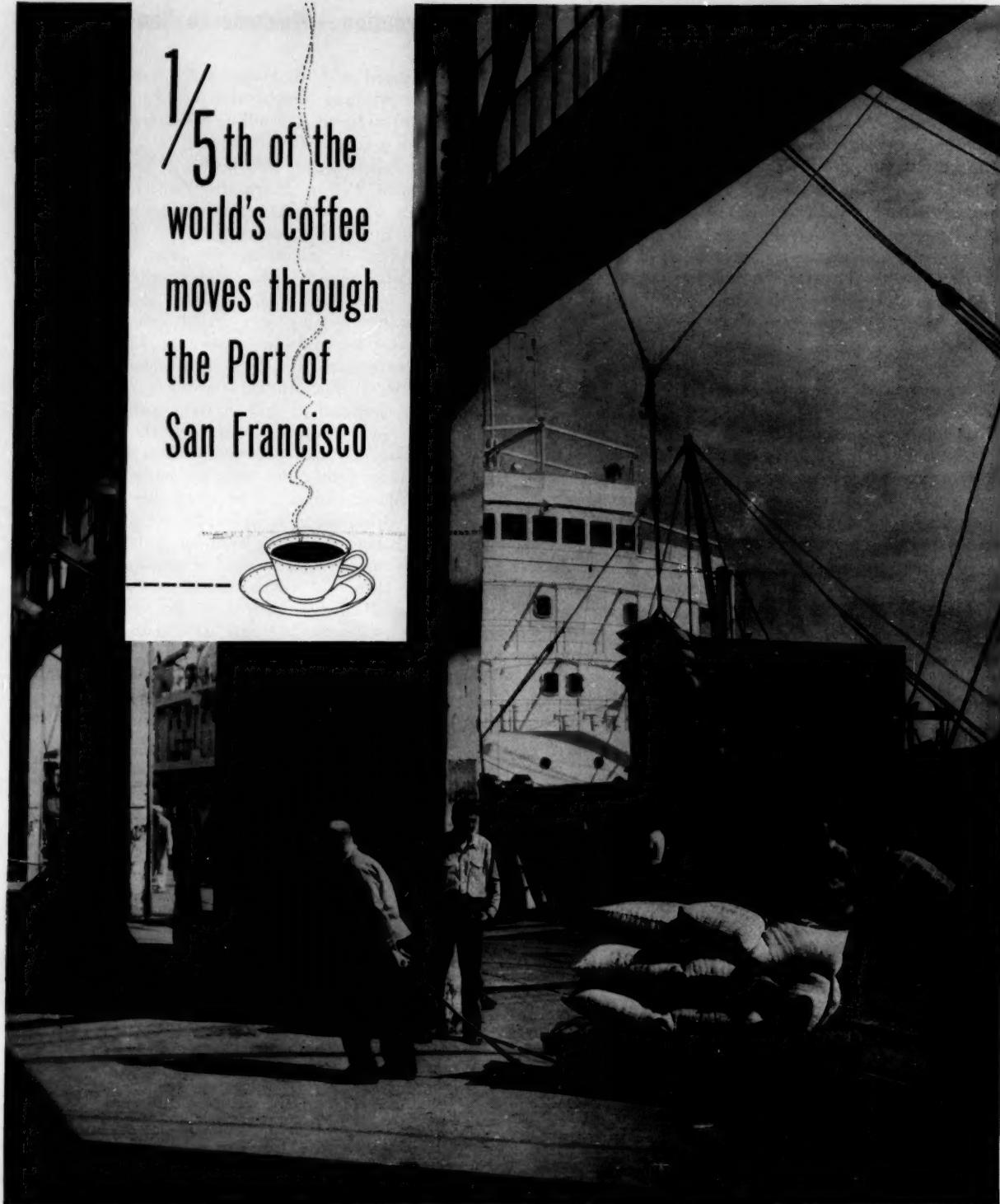
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**PORT OF SAN FRANCISCO**

COFFEE & TEA INDUSTRIES and The Flavor Field

## San Francisco's green coffee trade

By R. C. POWELL, E. A. Johnson & Co.

San Francisco is about to welcome the National Coffee Association for its annual convention. Many of its members came here in 1948, after the Yosemite convention, and we will be happy to see you again this year.

Just a few blocks straight down the east side of Nob Hill from the convention hotels is the home of green coffee trading. Take the California Street cable car (a "must" on your San Francisco visit anyhow) and alight at Front Street. You will find yourself on "coffee-corner." The "Welcome" sign will be out at the offices of all your friends.

The center of green coffee trading has been in the same location since the earliest days, on lower California Street, principally in the two blocks between Davis and Battery Streets. A few of the important firms are situated on Front, Sansome, and Pine Streets; still, California Street is of the same importance to our trade as Front Street is to New York and Poydras Street is to New Orleans.

While the buildings we find in this area are anything but new, they are generally well maintained, and some have been modernized recently.

It has often been suggested that the trade should be concentrated in one large building, something like a "Merchandise Mart." These plans have never gone very far, and it seems likely that the delightful aroma of roasting coffee will be noted on the corner of Front and California Streets for many years to come.

In the early days there was a definite demarcation between brokers, importers and jobbers, and each had their fields of operation. Today these lines no longer exist so definitely; jobbers are almost non-existent and brokers often act as importers.

Fifty years ago a considerable part of the Pacific Coast imports were consignments from Central American planters and exporters. These shipments came in consigned to the importers and were then sold, on sample, through local brokers, usually to the jobbing trade or perhaps directly to local roasters. Consequently, spot stocks were available most of the time.

Today all this is changed. Perhaps 95% of the imports are sold before arrival to roasters by importers or brokers. Spot stocks are very limited in quantity and selection. In this condition, our trade is quite at variance with New York, where spot stocks of the most popular growths are almost always available.



Despite these changes in the methods of operation by importers and brokers, the basic function of the green trade is still one of service to the roaster—that is, to obtain suitable qualities from all producing countries and to offer these coffees in the shipment positions required by the roasters.

In supplying this type of service, the duties of the importer have many ramifications, extending from the financing of crops on the plantations, buying cherry and shell coffee, milling and preparing the product in the countries of growth, shipping, and finally delivery to the buyer on the dock here.

While all of the importers do not have such an integrated set-up from tree to roaster, the tendency has been in this direction for many years, and particularly in the last ten years.

The origin of our imports has also undergone material change in the past half century. Instead of depending on Central American and the Dutch East Indies for most of the supplies, our imports now come from almost every exporting country, but principally from Brazil, Colombia, Central America, Mexico and such distant spots as the Ivory Coast, Madagascar and Tanganyika.

Shortly after World War I, direct steamer service from Brazil to the Pacific Coast was initiated and at about the same time Colombian production increased notably, making this a source of supply for fine qualities not previously available to the Pacific Coast.

These two developments started a trend towards worldwide coffee trade with the Pacific Coast, rather than a local Central American source. This trend is still going on, and each year we seem to add a few new sources of supply.

The ultimate destination of our imports has also changed materially in the past 25 years. At that time, a very sizable portion of our imports moved overland by rail, even to roasters as far east as Toledo and Cleveland. Today this overland movement has ceased almost entirely, and the limit of our shipping zone for green coffee seems to be the Utah-Colorado area. This change has been caused by percentage increases in railroad freight rates, which has given the Gulf ports an additional advantage, not to mention competition from barge rates on the Mississippi. A recent advance in ocean freight rates from Colombia and Central America to the Pacific Coast, not reflected by a similar increase to Gulf ports, has resulted in a further disadvantage for San Francisco.

However, the steady increase in population in the Pacific Coast states and the fact that roasted coffee from San Francisco roasters has continued to move to the Middle West, has resulted in all overall increase in our importations, subject, of course, to year-to-year fluctuations.

(Continued on page 45)

# Welcome to the N. C. A. Convention

San Francisco, October 10-13

The staff of our San Francisco office  
is at your service.

Arthur C. Woelfl

J. Clarence Levy

Harold L. King

Douglas H. Wood

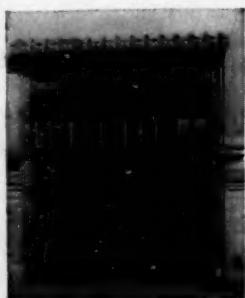
Antoinette S. Crawford

Marie A. Stamis

Rose Morales

Emanuel F. Jose

## J. ARON & COMPANY, INC.



**Coffee Importers**

**GREEN COFFEES FROM ALL OVER THE WORLD**

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## San Francisco as a coffee port

By JOSEPH G. HOOPER, JR., Joseph G. Hooper, Jr., Co.

The growth of the coffee industry in San Francisco has passed through some very interesting stages in its development.

Prior to 1846 when California became a territory of the United States, the Mexican population knew very little about coffee, and as the foreign population was 380 in 1840 and 680 in 1845, it was not much of a market for any commodity.

On January 24th, 1848, with the discovery of gold at Sutter's Mill at Coloma, a new era began for California. Thousands upon thousands poured into the territory of California. A bountiful nature had provided this new bonanza land with the centrally located San Francisco harbor, with its various bays and inland waterways leading to the interior of northern and central California. At that time this new land of allurement had many horse trails but few roads, so these navigable waters provided the easiest means of transportation in 1848 and several years thereafter.

A short distance within the Boca del Puerto, the early Spanish name for our Golden Gate, a protected location known as Buena Vista Cove provided the most suitable site for a new trading center, which grew into the City of San Francisco. Here an infant coffee industry started.

Practically everything had to be brought in by ocean vessels. There was one fair-sized pier at the foot of Davis Street and two short, insignificant ones. Congestion in 1848 and 1849 was terrific. Hundreds of ships were anchored off-shore, deserted by crews eager to seek gold. Some of these vessels served as warehouses for coffees and other commodities.

The water supply was inadequate for the large influx of new immigrants. There were repeated devastating fires. Life was difficult but many believed in the future destiny of this new seaport.

The coffee importers and roasters who developed successful business enterprises from this early date deserve much commendation. At that time the roasting equipment used was crude, but steam power was developed to run it. The sources of coffee supplies in those early days were Arabia, Ceylon, the Philippines, the Dutch East Indies and the West Indies. It was not until the latter part of the 1860's and 1870's that Mexican coffee from Colima, as well as coffee from Guatemala, El Salvador, Costa Rica and later from Nicaragua, began to become increasingly important as sources of supplies for San

Francisco. Then the coffee was sold in bulk in whole roast, in wooden drums, jute sacks, and in other available containers.

In 1855 the first transcontinental railroad connected California with the lands east of the Sierra Nevada Mountains, thereby increasing the territory served by the San Francisco coffee trade. Various railroads were built within California, and steamers traveled the inland waterways. Roasting plants came into existence in Marysville, Sacramento, Stockton, San Jose, Los Angeles, and other interior ports which were supplied with green coffees from San Francisco.

The period from 1870 to 1910 saw the growth of J. A. Folger & Co., Wellman Peck & Co., and others from small beginnings in the 1850's and shortly thereafter, as well as the appearance of new roasting firms which later were to gain national prominence. Of these later firms the names of Hills Bros. and of the first Mr. Reuben Hills, as one of its founders, began to take a prominent part in the developing of true coffee merit by cup testing. Clarence Bickford, as a broker, also started judging coffee values by cup testing. The pioneer Reuben Hills also learned from cup testing the appreciation of various coffees for blending purposes.

In 1900 Hills Bros. started packing roasted coffee in vacuum cans and thereby was able to give to the widespread western population the guarantee of a good, fresh, flavorful cup of coffee. This one innovation in packing probably did more to develop a mammoth roasting industry here than any other single factor.

The firm of J. A. Folger & Co. was also extending its operation eastward, and in 1907 opened its plant in Kansas City, Missouri under the able management of F. P. Atha.

Going on from 1900 to 1915, we learn of increased competition from Europe in buying coffees from Mexico and Central America. By improving the methods of preparation, especially after 1910, these producing countries were turning out coffees much superior to those produced in the 1870 to 1910 period, and fancy color good style washed lots were fetching higher prices in Europe, where appearance counted so much more than it did in San Francisco.

Coffees from Brazil were not in wide use in the Pacific Coast markets after the turn of the century and in 1911 only 12,303 bags of these were imported through San Francisco. In this same year there were no imports of Colombian coffees through the port. Of the total imports that year of 292,141 bags, Guatemala supplied 100,405 bags, El Salvador 93,412 bags, Mexico 15,607 bags, Costa Rica 11,254 bags, Nicaragua 7,439 bags, Hawaii 28,789 bags, and Ecuador 17,067 bags.

(Continued on page 51)



# JABEZ BURNS IS RIGHT ON THE SPOT TO SERVE THE IMPORTANT WEST COAST MARKET

That's why we maintain a branch office to take care of the growing needs of the coffee and allied trade on the Pacific Coast.

This office has complete facilities for prompt service on:

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## San Francisco's grocery market for coffee

By **ELWOOD WRIGHT**, President  
Wellman Peck & Co.

The second largest business in San Francisco and the third largest import coffee port in the United States makes it appropriate to look briefly at coffee movement into consumption in this beautiful city.

Because of its equitable and cool summer climate, coffee is used not only at breakfast but at every coffee break, lunch and dinner. The indication is that coffee consumption is at a per capita high in this city, augmented by the hordes of summer visitors and the great number of eating places famous the world over.

Coffee movement is different in this different city. Because of its geographic position as a peninsula and its early growth, the real estate cost did not permit the rapid growth of large supermarkets. For the same reason, the national chain stores are not heavily represented. There



are supermarkets and chains, but the independent merchant is predominant, with a large number of smaller stores.

Every local coffee brand is represented in most stores, and as in other markets, is advertised and sold at the weekends as a "loss leader". As most brands are acceptable, there is a great variety in these sales and it does bring customers.

Since coffee is used daily in every home, a low price attracts universal attention. Coffee is one of the chief weapons to increase the retail store volume because of this attention. When the housewife is attracted by an ad on coffee, she will go to that store and buy not only its coffee but other items. If she likes the store, its variety and kind of merchandise, and friendly treatment, she will go there regularly.

San Francisco has been the pioneer not only in vacuum can packing but in the blended Western type of coffee that changed blends all over the world. Quality has long been a tradition with the San Francisco roaster and the consuming public. Coffee roasting fragrance is in the air to greet the many visitors, not only on crossing the Bay Bridge but in the downtown area, where the large firms are located.

Coffee is therefore important to San Francisco in import, manufacturing, distribution and consumption. Just another reason why the world comes in droves to visit, to marvel, and a lot of them stay. Because, as Lily Pons said recently, "There are two beautiful cities in the world, Paris and San Francisco, and I prefer San Francisco."

## San Francisco's restaurant market for coffee

By **EDWARD C. RAMSEY**, Geo. W. Caswell Co.

San Francisco is known the world over for its fine hotels and restaurants. Here every type of food and drink can be obtained, whether it be French, Italian, Mexican, Chincese, or any other foreign dishes, and of course it goes without saying our own good well-known American dishes.

Part of San Francisco's reputation for excellent eating places has been gained through the serving of fine coffee, for no restaurants can survive unless their coffee is above question.

It is a fact that roasters and restaurant suppliers buy green coffee described as "Pacific Coast Quality," which we San Franciscans believe to be of the finest grades.

Also keen competition among the roasters in supplying restaurants here makes it practically mandatory that only the best be sold to the restaurant trade. Many restaurant owners pay higher prices for their coffee than they would were they to buy through retail outlets.

There are no less than eight roasters in San Francisco that cater to the restaurant and hotel trade.

A situation has developed in recent years whereby the consumption of coffee has materially increased through recognition of the coffee break. Business men realize the increased efficiency enjoyed by employees and executives alike. Restaurant men also recognize the importance of the coffee break, as shown by the many stand-up counters in existence, which, of course, mean more coffee sales.

A specialty feature of a number of San Francisco restaurants is the serving of cafe expresso, which is very popular in our Latin Quarter, and in the North Beach section of San Francisco. Also, Irish coffee is featured in a number of places, and this brew has gained a worldwide reputation.

We recommend the use of sufficient coffee in beverages made in restaurants. Some restaurant operators are inclined to use more water than necessary, thereby turning out an inferior cup of coffee. This is a practice we would very much like to see curtailed.

We are also reliably informed that there are approximately 1,500 eating places in San Francisco, which includes restaurants, drive-ins, hotels, etc. These of course, create quite a market for coffee.



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## ★ NCA Convention — Welcome to San Francisco

# sociability in San Francisco

By JOHN H. COGNETTA, President  
San Francisco Coffee Club

Speaking for the members, officers and directors of the San Francisco Coffee Club, I welcome the visiting members of the National Coffee Association to their annual convention, being held in San Francisco this year.

We are proud that our city has been selected for this year's convention site, and hope you will find much enjoyment during your stay here.

The San Francisco Coffee Club, since its inception, has been dedicated solely to sociability and to the promotion of relaxation and freedom from business thoughts. That we are now in our 20th year is proof that this organization has succeeded, and is succeeding, in its purpose.

The membership is composed of both green and roast segments of the coffee trade, and can boast of having every coffee company in the San Francisco area represented. The total number of members is now nearing 150. Most of the original founders are still active members, and attend all meetings.

Our mild climate affords us the opportunity of planning several meetings each year, starting as early as a February party and closing the year with our annual Christmas party, usually held during the middle of December.

Of course, the main form of relaxation offered at all our parties is the friendly golf tournament. The newest sample boy can get out and compete against his employer and can win, if he is a good enough golfer. Complete informality is the rule. Whether the golfer is an accomplished one, a divot digger, or a hacker, by use of the "blind bogie" all have an equal chance at the prizes. Naturally, the final scores are anxiously awaited.

The San Francisco Bay Area, being endowed with many beautiful country clubs which have superb golfing accommodations, is ideal for our type of outing. A different course is selected for each party and, needless to say, all are well attended. After golf, we complete the day's festivities with cocktails in a cheerful atmosphere, followed by a fine dinner, enjoyed at leisure and coupled with entertainment—sometimes "home grown," and with raffle. With such a program in the offing, is it any wonder the membership looks forward to each affair; and afterwards talks for weeks about the various incidents?

These parties promote good fellowship, and many staunch friendships have resulted from them. Working

on committees for these affairs gives a true impression of the fine cooperation your business rival can give you. After all, knowing your business competitor a little better makes business much more interesting.

We sincerely hope that during your brief stay here you will take time to play a few rounds of golf on some of our golf courses. Any of the people in the green or roast coffee trade can make arrangements for you at one of our fine country clubs; and, if you feel up to it, we suggest your trying the National Open course at the Olympic Club at Lakeside. There, only a few minutes from the center of San Francisco, you can match your score against the professionals' scores of a few months ago.

So again we say, "Welcome to San Francisco," from the San Francisco Coffee Club, and if any of us can be of assistance to you during your visit, please do not hesitate to call upon us.

### **San Francisco's green coffee trade**

(Continued from page 39)

Projecting into the future a little, we can anticipate a continued growth in the volume of imports, in line with the expected increase in population in the Pacific Coast and Mountain states. Industrialization, spreading rapidly over this area, is accelerating this growth; even the agricultural regions promise further development, resulting from irrigation schemes under construction or projected. We cannot help but have a most optimistic view of the future for the entire coffee industry here.

No discussion of our green coffee trade would be complete without mention of two outstanding personalities, now gone from the scene. Clarence E. Bickford laid the foundation and E. H. O'Brien completed the expansion of C. E. Bickford & Co., as one of the most influential brokers in the entire United States trade during the first 30 years of the century. This was a San Francisco organization that expanded to New York, New Orleans and other interior points, developing new markets for Central American coffees moving through San Francisco.

Many of today's leaders in the trade were trained in the Bickford organization, and the systems of grading and testing still in use originated there. The low prices of the 1930-40 decade brought direct selling from importer to roaster; brokers were of lesser importance or became importers on their own.

The Green Coffee Association of San Francisco spoke for the trade prior to the formation of the Pacific Coast Association.

(Continued on page 59)

Welcome  
to San Francisco,  
and Best Wishes  
for the most successful  
Convention the  
National Association  
has ever held.



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## ★ NCA Convention — Welcome to San Francisco

### Coffee roasting in San Francisco

(Continued from page 37)

as the "quality coffee center" of the world. Absence of specific mention, name by name, is not intended to reflect any lack of recognition of their importance in the San Francisco "coffee family."

"Why," you may ask, "has San Francisco—and the Pacific Coast—achieved and held this 'reputation'?" The reasons, perhaps, are many. The coffee-roasting business of the United States is historically a family business, and to a large degree remains so today. The changes of time and circumstance have transferred ownership and operation of some of the largest family-started coffee companies to national corporate industry. Yet most San Francisco concerns continue to function in the hands of descendants of those hardy pioneers who found their way to the West in the early days.

Significantly, the earliest knowledge of the now common practice of cup-testing for quality is claimed to have started with San Franciscans. Reuben W. Hills, Clarence E. Bickford, C. G. Cambron, and other local prominents of the 1880's are credited with the first success in proving that the "fulsome" look and appearance of the bean was not always a true measure of quality, and in developing the art of selecting and grading coffee by testing "in the cup."

Fifty years later the *San Francisco Chronicle* (a leading newspaper) expressed the "quality story" this way: "The records of coffee imports in 1931 by the United States Customs Districts show that San Francisco led all coffee ports in receipts of high grade coffee. Although New York and New Orleans receive more bags than San Francisco, the per pound value of coffee received in the Port of San Francisco was 30% higher than New York importations and 50% higher than New Orleans. This proves conclusively a fact long contended by San Francisco roasters that the green coffees of their blends are of higher grade than those used by coffee roasters elsewhere in America."

Dollar values in grades of green coffees have lost significance in the relationship they bore to each other a score of years ago, but the underlying spirit expressed in the preceding statement continues to prevail in quality standards.

Of importance, too, is the fact that practically all of the green coffee which arrives in San Francisco Harbor is roasted in the Bay Area, since it is not a port of entry for green coffee to be roasted at inland points or other centers of the Pacific Coast.

It is pride rather than lack of modesty which permits this writer . . . (blame the editor for asking him to author this article) . . . to relate the circumstances under which Hills Bros. Coffee, Inc., (then Hills Bros.) originated the process of packing coffee in vacuum. Oddly enough, the inspiration for packaging coffee in vacuum cans stemmed from Hills Bros.' experience with butter, a commodity handled in the early days of the company in addition to tea, cocoa, spices, extracts, and baking powder.

Prior to 1900, the company had developed a large and flourishing export trade in butter, packed in barrels and pickled in brine. The search for an improved method of packing butter in tins so that it could be kept in perfect

condition when sent to distant points led the Hills brothers to Chicago where the Norton brothers had been experimenting with a process of vacuum-packing various food products in cans. So impressive was the success of the Nortons that the Hills lost no time in ordering the necessary machinery and acquiring exclusive rights for the Pacific Coast.

When the machinery was set up in San Francisco and the first cans of butter packed, it didn't take long to discover that the vacuum can offered even greater possibilities for coffee than it did for butter. Appropriate steps were immediately taken to adapt the machinery to coffee, and by July, 1900, Hills Bros. was distributing the first coffee ever to be packed in vacuum.

The method proved to be a veritable "fountain of youth" for protecting coffee from the effect of air. Pioneered for

### Mayor Robinson welcomes NCA

*As Mayor of San Francisco and in behalf of all our citizens, it is my privilege to extend a cordial welcome to all those attending the National Coffee Association meeting in San Francisco October 10th-13th, 1955.*

*I am certain you will find ours to be a warm and hospitable city and our people to be most friendly. To roasters of coffee and the allied trades from throughout the United States and coffee suppliers from other countries, I extend best wishes for a successful meeting.*

*Elmer E. Robinson*

*Mayor of San Francisco*

at least a dozen years by Hills Bros. before being adopted by other roasters in the San Francisco area, most coffee roasters west of the Rockies who packed coffee in cans were using the method by 1918. Some three or four years later, vacuum packing began to "catch on" in the East.

In the early 1930's, Carl H. Hansen, of John Hansen & Sons, a coffee roaster in Oakland—just across the Bay from San Francisco—invented the Hansen Pressure Packing Process. Designed to accomplish preservation of coffee freshness by a different method than vacuumizing, pressure packing has since been adapted for successful use by other roasters.

Continuous roasting, too, was introduced by Hills Bros. in 1923 and, although their specific process of "Controlled Roasting" is exclusive to the company, several methods of continuous roasting have since been made commercially available by established manufacturers of coffee-roasting machinery.

And what of the changes that have taken place in the coffee-roasting business in San Francisco since the days of those early pioneers? Many have come, some have gone, a few have changed relationship. As the West grew, so its markets grew, and prominent names began to come into the picture to the south and to the north of San Francisco.

Folger moved into the midwest, with plants in Kansas City (1907) and Houston (1938), where business is now conducted by an affiliated company. Its second Pacific

*(Continued on page 55)*

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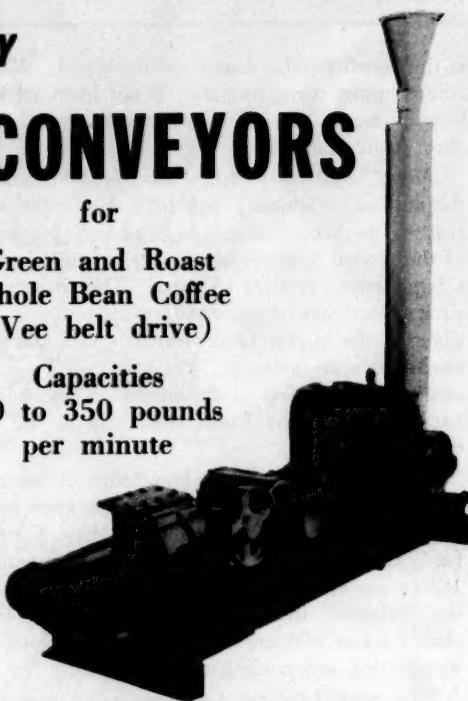
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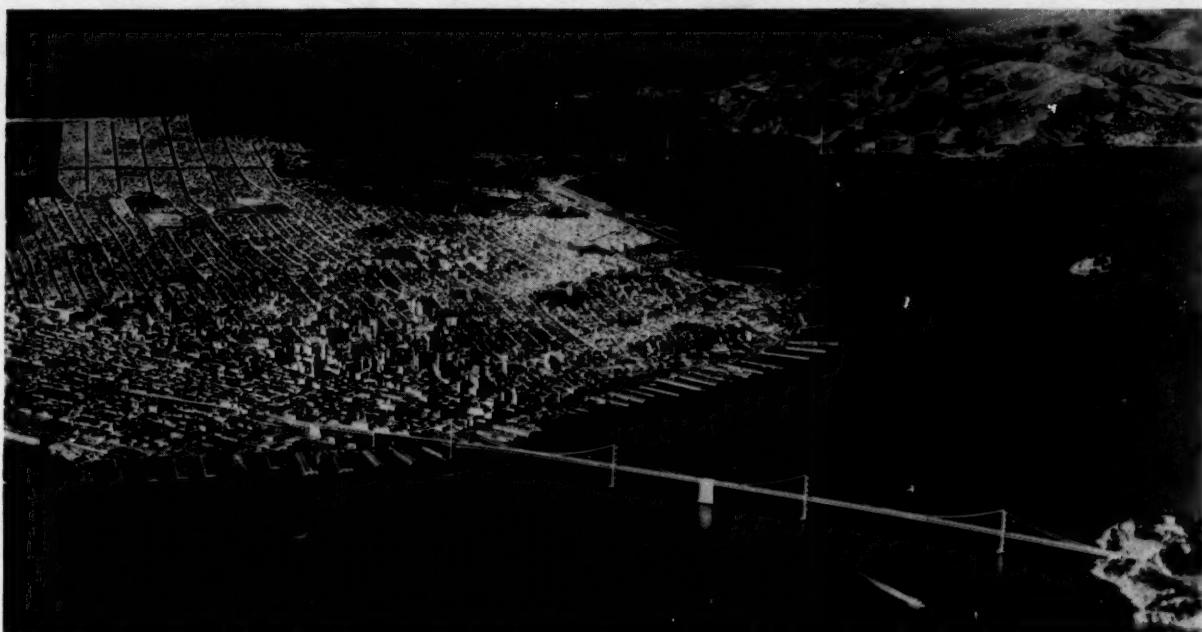
### TEMPO-VANE AUTOMATIC BAG-LINE

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## ★ NCA Convention — Welcome to San Francisco



Spectacular aerial view of San Francisco. In the foreground (right) is Yerba Buena Island and (center) the suspension half of beautiful San Francisco-Oakland Bay Bridge. Shown in detail are the finger-

type piers of the Embarcadero. Clearly visible are the skyscrapers of the financial district. In the distance is the Golden Gate Bridge.

## the coffee man's guide to San Francisco

By ELIZABETH C. HALL

The coffee men and their wives at the National Coffee Association convention will not devote all their time to business. There will be moments for relaxation during the day and evening to explore San Francisco, City of Romance.

The names of our streets and restaurants remind us of our international origins. French cuisine, regarded by many as the apex of culinary art, is available at many restaurants. While Omar Khayam serves Armenian dishes with special attention to "shish kebab" we also have our "Little Sweden," where smorgasboard is served, and our Sukiaki Houses, where the meal is selected by you, skillfully prepared before your eyes over charcoal braziers, and served by dainty kimono-clad Japanese girls while you (with shoes removed) sit on the floor among soft cushions.

Cosmopolitan San Francisco includes many foreign settlements. Chinatown, the largest of these, with over 20,000 inhabitants, is a strange mixture of the old and the new, the occident and the orient.

The memorial statue of Dr. Sun Yat Sen, the father of the Chinese Republic, casts a stiff, modernistic shadow across the lawn of St. Mary's Park, and on the opposite side of the street is one of San Francisco's landmarks, Old St. Mary's Church, built of bricks brought around the Horn in sailing vessels. Nearby is located one of the nation's most modern housing projects, "Ping Yuen," or "Tranquil Garden."

There are two authentic Chinese Temples, with pagoda roofs—where idols brought in by the first Chinese settlers are on display, yet the community supports eight churches of different denominations in addition to the YMCA and the YWCA. About 4,000 school children attend eight evening Chinese language schools, after attending American schools during the day. Four Chinese dailies and one weekly are published and widely circulated.

The quaint shops of Chinatown, fragrant with incense and camphor chests, display fine silks, rich embroideries, carved teak-wood, bronze, lacquer, ivory and jade. Here you may select exotic gifts to send home to your friends.

At the "Lotus Bowl" or the "Cathay House," to mention only a few of the famous Chinese restaurants, traditional recipes are prepared by chefs from Old China.

Of course you will want to visit the glamorous night-clubs where sparkling floor shows are presented entirely with Chinese talent; or to relax in a cocktail lounge with your favorite drink.

The Latin Quarter, a colorful foreign section with Bohemian atmosphere, is located in the North Beach District. This section, well known for its restaurants, is pungent with the aroma of red wine, cheese, bread, garlic and sausage dear to the hearts of the Spanish, Basques and Italians.

From this quarter, steep precarious paths wind up to the

(Continued on page 167)



# Financing COFFEE

*from the bean to the bag!*

To produce coffee it takes the proper soil, the right climate, and—*credit*. Bank of America, by maintaining a special department in coffee financing, offers expert assistance to the planter . . . the shipper . . . the American importer and distributor. If the international credit facilities of the world's largest bank can assist *you*, wire or write Bank of America, 300 Montgomery Street, San Francisco, or 660 South Spring Street, Los Angeles—attention International Banking Department.



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## instant coffee on the West Coast

Instant coffee is experiencing an ever-increasing interest on the Pacific Coast, and especially in the Bay area, in spite of the fact that the ratio of its users to ground coffee is less here than in the North Atlantic and the upper Midwest states.

Setbacks in solubles are experienced when violent price wars are underway on the vacuum pack, but it is noted that momentum picks up after these setbacks.

Around the first of June, the ratio of soluble coffees to the total consumption of coffee nationally was about 33 1/3%. In the West, it was about 23%.

This could be accounted for in part by the fact that coffee consumers in the West, and especially in the Bay area, have for years been used to higher grade mountain grown coffee with aroma. These coffees have been coming up the Coast from Central America since the days of '49. This conditioning to quality has made Westerners slower to take on anything new that is lacking some of the flavor qualities of their favorite brands.

However, as the tempo of living increases, the West becomes more metropolitan and the quality of solubles improves, the ratio of use will probably approach that of the country as a whole.

The product was accepted most readily in the densely populated areas of the East. Farmers and rural peoples are slower to change their habits, in coffee drinking as in other things. The pressure of living is less intense in the back country. The metropolitan worker, who has to catch a train, or travel many miles in an automobile to his shop or office, favors instant coffee because of speed and convenience in preparation. There seems to be no differential in the age groups taking to instant coffee.

In recent years soluble coffee of more acceptable quality has been developed. As techniques improve, the flavor appeal will be increased. One very decided missing quality in soluble coffee is the aroma, but it is said that research to solve the problem is underway. The industry hopes that full coffee flavor and aroma is possible in the future, as the process of producing solubles is still in its infancy.

In merchandising soluble coffees, there is still the same keen competition which exists among vacuum packs. The West does not have the chain-controlled brands of solubles, as is found in the Eastern states. Safeway is about the only chain in the West selling a controlled label. Soluble brands in the West, which are much fewer in number than those of vacuum pack, enable the producers to obtain a much higher degree of distribution.

It is estimated that soluble coffees carrying Western brand names have complete distribution in stores doing 90% of the business. This more complete distribution of solubles will probably always remain, because initial factory cost and operation limit the number in business in relation to the number of vacuum pack plants. It is an expensive operation. However, this is somewhat offset by the soluble plants which do business for trade labels.

Price differentials on the West Coast between solubles

and good brands of vacuum pack do not seem to be as great here as on the Atlantic Coast. Instant producers have resorted to special discounts to the consuming public, but they have in no sense reached the proportions on regular coffee. When loss leaders of vacuum pack are sold, the economy appeal of solubles is lost.

Maxwell House has a plant in the San Francisco Bay area. They have made great strides in promoting the consumption of their Instant Maxwell and Sanka.

Folger's has their own brand, but it is produced in Houston, Texas.

Nescafe has been producing in California longer than any other brand, with a plant at Rippon.

Standard Brands had a plant in the Bay area, but is now producing in New Orleans.

Nestles, Borden and M.J.B. instants are all produced in the East. Hills ros. has a plant under construction.

### San Francisco as a coffee port

(Continued from page 41)

In the latter part of 1911, W. R. Grace & Co., largely due to the work of J. H. Rosseter, opened its first coffee-buying office in Latin America in Guatemala under the management of E. A. Kahl. Soon other offices were opened in Central America. Then Mr. Kahl moved to San Francisco to manage all of his firm's coffee operations. Previous to this time, the firm of C. E. Bickford & Co., under the dynamic leadership of Ed O'Brien who came into its control in 1908 following the death of Mr. Bickford, developed one of the most amazing green coffee brokerage selling firms ever existing in the United States. Practically every lot of coffee imported from Latin America was sold by C. E. Bickford & Co. Sometimes several brokerages were earned on a lot as jobbers grew into prominence and local trading developed. Without doubt, this firm had a wonderful selling organization covering practically all markets in the United States. This brokerage house did much to aid the early development of Otis, McAllister & Co., Haas Bros. and many other importers. W. R. Grace & Co., with its buying offices in Central America, became a leading figure as an importer of coffee with the selling ability of Ed O'Brien and his firm. Mr. O'Brien had a staff of trained men, some of whom became buyers for roasters, independent brokers in other markets, jobbers and managers of other coffee importing firms.

Although the Panama Canal opened shorter sea routes to Brazil, Venezuela, and the seaports serving the Magdalena River of Colombia, coffee imports into San Francisco from these sources did not grow very large until after the end of World War I, when total imports in San Francisco began to reach the million-bag per annum

(Continued on page 57)

# OUR CONSUMING INTEREST IN COFFEE



**Grace Line** is just as interested in the consumption of coffee as the transportation of coffee. Sharing the coffee trade's concern over the decline in consumption, we are deeply interested in the industry's all-out effort to reverse this trend by making America's favorite beverage even more popular.

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**As the National Coffee Association** meets in San Francisco, we extend to our many good friends in N. C. A. our best wishes for a successful convention.

Grace Line is ready and anxious to help you boost consumption by providing the ships, the service and the experience to keep abundant supplies of green coffee moving northward from the coffee ports of Central and South America.

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# the Coffee Exchange serves coffee men ... everywhere

By MALCOLM J. FORBES, Commodity Division  
Merrill Lynch, Pierce, Fenner & Beane

The New York Coffee Exchange serves coffee men all over the world. The Exchange affords an adjunct to the everyday business of buying and selling coffee. It helps to make possible the most rational and least hazardous operation. In other words, to those who understand it, the futures market is an important regular supplement to their buying, selling and producing of the commodity.

In this article, we propose to review some of the major uses to which futures can be put—uses which should be familiar to every coffee man.

We would like to point out, first, that the basic object of dealing in futures is not to make or take delivery of actual coffee. That is better accomplished in the spot market. Futures are mainly a means of establishing price or of securing "price protection." Except perhaps when delivery falls due, it ordinarily makes little difference in trading futures whether the dealer, importer or roaster is in New York, San Francisco or Timbuktu.

### Hedging variations

There are all sorts of variations of the usual hedging procedure with which coffee men should be conversant. There is also another way in which futures can be of service, one which is not everywhere fully appreciated. Futures provide an alternative market in which to buy or sell. At times, the price of futures will be high, at times, low, compared to any other market—shipment or spot. Inevitably, there will be intervals when it will be preferable to be "long" or "short" futures rather than actuals. The alert dealer, importer or roaster is constantly watching the changing differences between spot, shipment, near and distant month futures. According to his judgment as to these differences (and his judgment of the entire coffee situation), he decides whether to take a position in actuals or in futures, or whether to trade futures vs. a position in actuals. This brings us back to the question of hedging.

As we all know, hedging involves offsetting a long or short position in actuals with a contrary position in futures. Thereafter, one ceases to be concerned about absolute price movements; instead, one is concerned with the difference or "basis" between the price of actuals and the futures hedge. The "basis" thus becomes the central consideration. Sound judgment of the "basis" is one of the most vital things to everyone in the coffee business. It helps to determine policy in actuals as well as in futures.

Right now, the salient fact is the very wide discounts which prevail in futures relative to spots. This means that the prospective "short" hedger must sell futures well below the price of actuals, and therefore incur a very large "basis"

risk. Understandably, this is something many have been loath to do. Yet, at the same time, because of inherent price risk, most members of the industry have been reluctant to carry unhedged inventories. Consequently, the overall level of stocks in consumer countries has been reduced very nearly to minimum working levels. Of course, there are individual instances where one happens to be carrying appreciable inventories; in that case, it must be decided whether to hedge in futures and risk an appreciable "basis" loss or accept the risk of outright (unhedged) ownership of actuals. But by and large, *the major problem today is not to hedge inventories but to RESTORE inventories.*

Here again the existence of vast discounts in futures is important. It means that futures offer considerable incentive to prospective buyers. Carrying actuals—either hedged or unhedged—may be deemed too risky. But *it may be distinctly appealing to cover part of one's inventory requirements in futures at wide discounts.* At any rate, every coffee man should ponder the fact that he can now purchase Brazilian coffee for delivery five months hence at a 13¢ to 15¢ discount. In fact, the individual who purchased recently expired futures contracts six months ago, profited by very nearly that amount. This experience may not be repeated to the same degree, but the discount is certainly an appreciable cushion against declines in spot prices.

Perhaps still more worthy of attention is a policy of "buying the discounts" on a program basis—that is to say, switching a long position at regular intervals into more distant months. The logic of the program is simply this—the sum of all the discounts purchased is a profit which will eventually outweigh any loss due to a reduction in the price level—assuming only that one can continue to buy at discounts. (A more detailed description of such a program is available on request from Merrill Lynch.)

### Buying and selling "on basis"

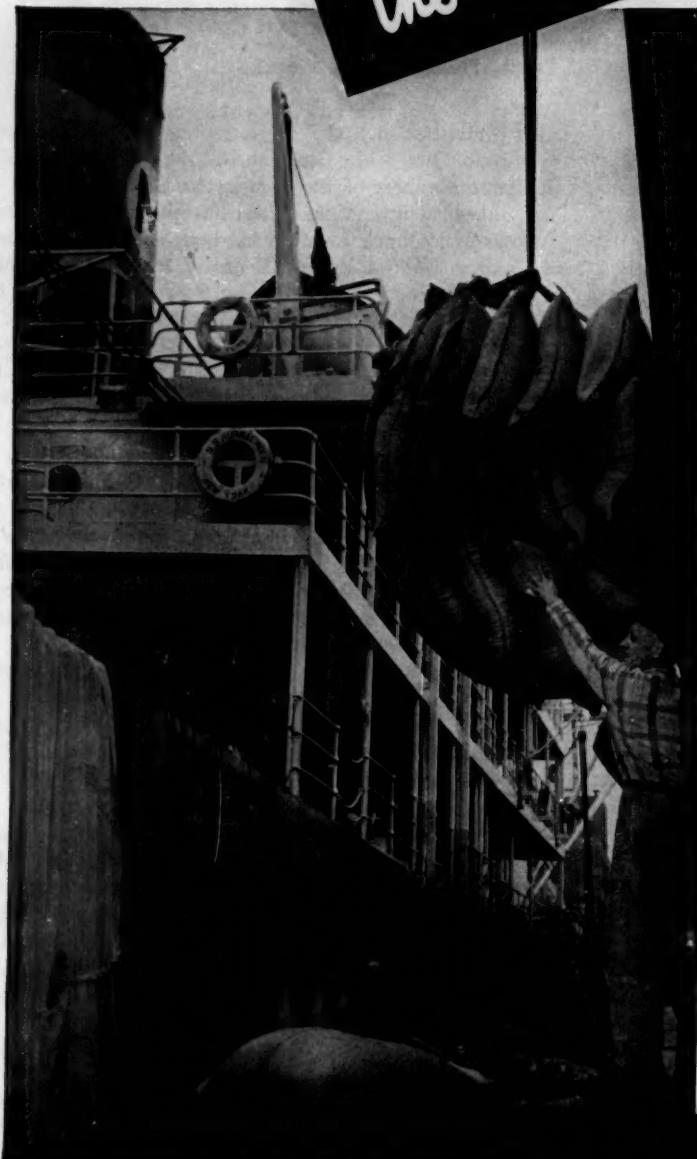
Another very important use of futures is now gaining recognition. More and more coffee people are coming to realize that they can expedite their business by buying and selling on "basis". For instance, an importer who has hedged his actuals in December futures may sell to a roaster at a stated number of points over or under the December contract within a specified time limit. It is left to the roasters to decide when to "call" the transaction completed. When the roaster does so, he pays the importer the price of repurchasing December futures plus or minus the agreed "basis". This operation permits the importer to sell coffee

(Continued on page 61)

# SHIPS.....

*the essential factor*

## in the COFFEE TRADE



Without ships, the American public would know coffee only as a rare and expensive luxury. Ships are an essential factor in the coffee trade.

To the maintenance of that trade, Moore-McCormack Lines devotes a major share of its operations. Its large fleet of modern ships, including the fast passenger-cargo liners of the Good Neighbor Fleet and big C-3 cargo liners which are the last word in efficiency, keeps coffee moving in an unceasing flow from Brazil northward to the United States.

The coffee trade can rest assured that, in the future as in the past, Moore-McCormack Lines will consistently devote its energies to the kind of service—swift, frequent and dependable—which will serve the best interests of the industry and the American consumer.

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## ★ NCA Convention — Welcome to San Francisco

### coffee roasting in San Francisco

(Continued from page 47)

Coast plant was established in Portland, Oregon, in 1953.

Hills Bros. Coffee, Inc., in its expansion eastward beyond the Missouri River, constructed a plant in Edgewater, N. J., which has been in operation since 1941.

Attracted to the Pacific Coast, Maxwell House and Chase & Sanborn have become active participants in the coffee life of the West, Maxwell House with its plant in San Leandro (formerly in Los Angeles), and Chase & Sanborn right in San Francisco.

The listing of present roaster members of the Pacific Coast Coffee Association at the close of this "capsule history" includes the names of many hitherto unmentioned local and regional roasters who contribute in a great measure to the continuing importance of the coffee business on the Pacific Coast. Notable among these are several whose growth is 20th Century in scope. To mention just a few . . .

Dwight Edwards Co., which started as a private concern in Portland, Oregon, in 1904, is today a division of Salem Commodities, Inc. (subsidiary of Safeway Stores, Inc.—the nation's second largest grocery chain), and with headquarters in San Francisco, operates six strategically located roasting plants throughout the United States and one in Canada.

Manning's, Inc., which, since a 1908 beginning in Seattle (San Francisco, 1924), has developed its chain of restaurants and bakery shops throughout the Pacific Coast states, and

expanded its coffee business into the grocery field through the recently formed Manning's Coffee Co.

Farmer Brothers, originating in Los Angeles, now operates intensively in the restaurant field throughout all of California, Oregon, and Washington, and into other areas of the western states.

The Ben Hur Products Co., which started in Los Angeles in 1903 and was taken over some ten years later by Joannes Brothers—(long since retired)—in 1943 acquired ownership of the prominent firm of Closset & Devers in Portland, Oregon. Both companies today—together with A. Schilling & Co.—are affiliated with and operated as divisions of McCormick & Co.

Soluble coffee, too, is making its bid for an ever-increasing share of the total coffee business in the fastest-growing markets of the world—the entire Pacific Coast. Manufacturing of the product in the San Francisco area is limited at present to Maxwell House and the Nestlé Co., Inc., which operates a plant at Livingston, Calif., some 75 miles from San Francisco. Other prominent brands of instant coffee (Pacific Coast companies) are Edwards, Folger's, M.J.B. and Schilling. Hills Bros. Coffee, Inc., with its new soluble plant in San Francisco scheduled soon to be in operation, will be the last of the major companies entering this field.

\* \* \*

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Mexican General is said to have marveled . . . "Some day these Americans will build ladders to touch the sky, and once in the heavens they will change the whole face of the Universe and even the color of the stars."

*Westward, the youth from the East  
pushed forward,  
leaving their past behind them.  
Even when the gold was all dug and gone,  
Even when the dream of getting rich quick  
had faded into thin air,  
the Yanks kept coming,  
holding their hopes before them.  
(Go West, young man. Go. Go West.)*

—Anon.

### San Francisco as a coffee port

(Continued from page 51)

figure. With Europe again taking more coffees from Central America, San Francisco had to find other sources of supply to fill its growing demand for quality coffees. Hence Brazil and Colombia became increasingly more important to West Coast coffee firms.

Whereas several local roasters had followed Hills Bros.' lead in vacuum-packing coffee, many in other sections of the country still packed in friction-top cans, cartons, and bags. Due to this, Hills Bros., M.J.B. Co., J. A. Folger & Co., and other firms had a fine opportunity to develop ever-widening markets for their quality coffees.

By 1920 the M. J. Brandenstein Co., later called M.J.B. Co., had developed a somewhat different vacuum process than that used by Hills Bros. In 1926 the latter firm moved into its modern plant at 2 Harrison Street. Here a continual flow operation was perfected, whereby the blended green coffee moved through a new type roaster, next to cooler, then through grinding machinery into the cans, continuing to the vacuum machine and ending up in boxes or cartons ready for shipment.

The founding of a local Coffee Roaster's Association and a Green Coffee Association of the San Francisco Chamber of Commerce in the early 1900's proved to be so beneficial to the trade that they combined later into one group embracing the whole Pacific Coast of the U. S. A. The leaders in these organizations included Webster Jones, Reuben Hills, Sr., Reuben Hills, Jr., and many others for the roasters; and Carlos Lastreto, Donald Lindo, E. A. Canalizo, James Otis, Everett Bee, Ben Olden, George Thierbach, Harry Maxwell, Jack Duff, Henry Baer, Andrew Glover, and others for the green coffee trade.

In 1920's, Otis, McAllister & Co. broke away from C. E. Bickford & Co. and a newcomer from New York, Williams Russell & Co., then acted as the former firm's sales broker. The San Francisco offices of J. Aron & Co., Inc., Leon Israel & Bros., and Hard & Rand, Inc., were all selling directly to local roasters during this same period. Soon Otis, McAllister & Co. joined this method of selling. Around 1930 Ed O'Brien retired from the firm of C. E.

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**HEDGING** is the most practical protection you can give your coffee inventory. It should be considered as inventory insurance. Of course there is always the risk of adverse fluctuations between the price of the futures contract and the spot commodity. In using the futures market you hedge yourself against catastrophic loss.

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Write for our Commodity letter. Published weekly. Reviews current trends in the futures market.



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investment through our  
hedging facilities*

## ★ Welcome to San Francisco

Bickford & Co. and this firm rapidly lost its important power in San Francisco; in 1937 its local office was closed, and W. R. Grace & Co. finally began selling directly to local roasters.

In the middle 1930's Paul Ortega served his connections with Otis, McAllister & Co. and formed the firm of Ortega & Emigh, Inc., which soon became the leading importer of green coffees on the Pacific Coast, being especially prominent in developing the sales of coffees from El Salvador. Due to ill health of Mr. Ortega, this firm dissolved in 1955.

No account of the coffee industry in San Francisco would be complete without mentioning the firms of Manning's, Inc., and the huge grocery chain called Safeway Stores, Inc.

The Manning brothers started operations in Seattle but moved their headquarters to San Francisco after 1920. This firm rapidly gained recognition for the fine coffees it served and sold in its coffee shops. Since World War II, under the guiding influence of Andrew Glover, it has begun to sell its vacuum packed coffee in the grocery stores of the West.

Safeway Stores, Inc., from humble beginnings in the San Francisco Bay Area in the 1920's, has developed a nation-wide status so that at this time it ranks second in size among national chain store firms. Its subsidiary, the Dwight Edwards Co., buys all of its coffee requirements through its San Francisco office under the able management of Mr. Dwight Edwards.

Just prior to and during World War II, the local firm of Otis, McAllister & Co., under the shrewd reins of J. B. S. Johnson developed its coffee business all over the United States, and now in 1955 this firm is the leading green coffee importing firm of the entire United States.

San Francisco continued to grow as an important coffee center in the 1940's and 1950's. Its imports of green coffees now average over 2,000,000 bags annually, and should reach the 3,000,000 mark by the 1960's.

### San Francisco's green coffee trade

(Continued from page 45)

ciation in 1932. The old association supported uniform contracts, held arbitrations and fostered all activities for the benefit of the green trade.

One of the most vital parts of the industry is represented by the piers where coffee cargos are discharged, and coffee is sampled and weighed, with final delivery to trucks or rail cars.

The largest coffee cargos are usually received at Piers 37 and 41 to the north, and Piers 38-46 and 50 to the south, although many others are used occasionally, or during periods of heavy arrivals.

So, friends, take that cable car ride down the hill to see us! You will pass through the financial center of our city, and you will see some famous landmarks on the way—relics of the days of old, the days of gold, the days of '49!

### Raise estimates of Haiti's crop

Reports on the coffee crop for the coming harvest (1955-56) in Haiti are favorable, with estimates up to some 480,000 bags as an exportable surplus.

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## ★ NCA Convention — Welcome to San Francisco

**the Coffee Exchange serves  
coffee men everywhere**

(Continued from page 53)

at a basis he regards as attractive while permitting the roaster to exercise discretion as to the final price.

All that has been said above is equally applicable to the new "Mild" contract on the Exchange. Again, the paramount fact is the vast prevailing discounts. In this connection it should be recognized that the spot price of coffees deliverable against the "M" contract is now seasonally "high". But the discount prevailing in the "M" futures is even greater than is the case of the "B" and "S" contract. Moreover, it should be remembered that no "surplus" comparable to that of Brazils is envisioned for "M" coffees in the 1955/56 season. In any event, though trading in the "M" contract is still small, we think this contract can become a continued asset to the industry in supplementing and protecting their actuals business. Because the mild trade is especially important on the West Coast, the "M" contract should be particularly welcome there. Frankly, we believe the West Coast can play a leading part in making this contract a success. There are indications Eastern interests may be expanding their activity in Centrals particularly just because of the "M" contract.

Because we now have both a "Mild" and a "Brazilian" contract, an additional opportunity is opened to coffee traders. They can now express their ideas as to relative values between Brazils and Milds. For instance, those who foresaw relative seasonal tightness in milds several months

ago could have covered part of their requirements in the "M" contract or purchased "M" futures vs. a sale of a corresponding "S" or "B" position.

We have indicated briefly some of the ways in which the Exchange can be of service to the coffee industry. Needless to say, use of the Exchange requires businesslike judgment no different from that exercised in the routine operations of one's business. It is indispensable that one be closely in touch with the coffee picture as a whole. It is indispensable that one be familiar with the "basis" and "basis-type" operations. We are happy to say that trade use of futures is on the increase; witness the fact that so many roasters and others joined the Exchange this past year.

Let's remember that *Futures are every coffee man's business!*

### **coffee production expanding in Africa's Cameroons, Sierra Leone**

In the Cameroons, where the Cameroons Development Corp. grows good-quality coffees on an estate basis, there has been steady expansion of production since the war; elsewhere in the British territories coffee is a smallholders' crop, replanting has been intermittent, and interest in existing trees spasmodic.

This, added to variations due to climate, has made for very irregular crops. So much is known. However, what the size of the actual crops in Sierra Leone and the Gold Coast has been during the last few years is virtually impossible to estimate, there has been so much smuggling into French territories, where a far better price has generally been obtainable.



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## coffee trends on the Pacific Coast

By MARK M. HALL, San Francisco Correspondent  
Coffee & Tea Industries

Human events, or more to the point, coffee events, move on with inexorable logic to an almost predetermined conclusion. In other words, if we were smart enough we could look into the future and tell what is going to happen to the coffee market, or more specifically to coffee prices, provided that perverse human emotions do not arise to interrupt the course of economic events.

Picture, for example, the period before the end of the Brazilian guarantee period, which was August 20th. The green men were sitting in their offices, in many cases reading their newspapers or their market reports, trying to figure out what was going to happen. They were so virtuous they would not even recommend that roasters buy. The great question was, would the Brazilians devalue or not? If they devaluated, it was believed prices would go down, and others believed that prices were on the way down anyway regardless of the decision.

The roasters were holding off, too. They could not afford to buy if the market would take a tumble after that eventful date. In the past, roasters had been buying from hand-to-mouth and now they put off buying almost

entirely. The fact that some green men had predicted a fall squeeze before Centrals came in did not affect the present attitudes.

As coffee men look back to those days with the wisdom of hindsight, how logical to conclude that the market would have taken a spurt upward, just as it did after the awaited date of August 20th, when no devaluation took place. There was necessary buying on the part of the roasters after a protracted period of little buying. The market was free from the pressure of other coffees than Brazil's. Short interests had to run to cover and though not decisive over the long pull, the frost had reduced future surpluses and caused an upswing in future quotations. The market had reached a decided low before August 20th and was technically, at least, in a position to rise. Added to all this, consumption was on the rise throughout the world, so the market acted just as it did. This is the logic of economic events, or at least appears so.

It must now be concluded that there was no reason for the Brazilians to devalue. By doing what they did they were able to obtain more dollars in exchange for cruzieros. Events have proven the wisdom of their course of action. Now they can devalue when they desire and at a time when there is no other way to obtain more

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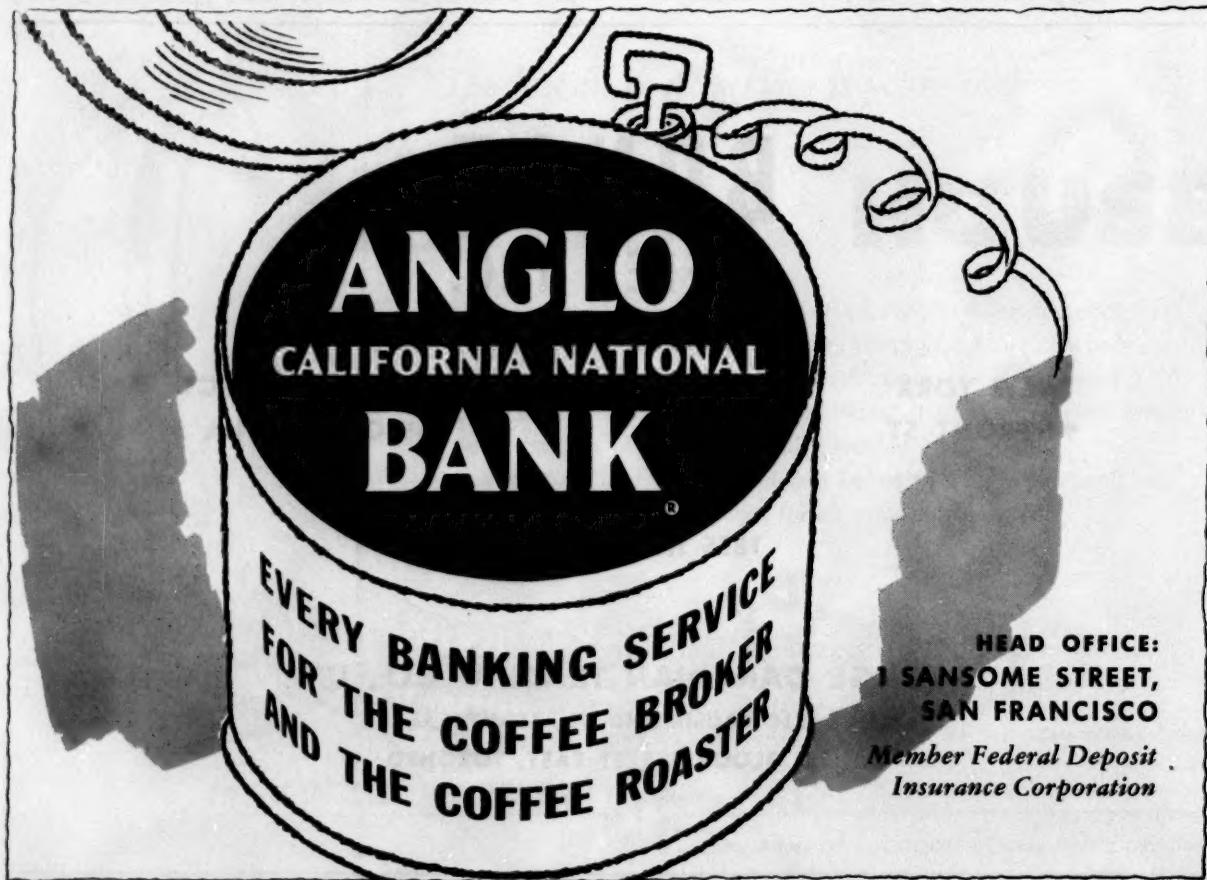
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## ★ Welcome to San Francisco

cruziers for their producers. They have a drink the world wants and there is no use selling it for less until the situation requires it. This may be imputing too much wisdom to the Brazilians, but it is how the matter seems to have worked out.

The coffee market entered the fall and winter months of 1954 with a complete lack of faith in the future of coffee prices. The year had seen dizzy heights, lightening descents, devaluation and wild rumors. Indicating this lack of faith there appeared great spreads between the distant months and the nearby quotations on the futures market. Colombia had sold coffee while Brazil was holding back. All indications led to a belief that surpluses would appear in Brazil in 1955.

### Chance of a squeeze

As had been earlier predicted by green men, there was a chance of a squeeze at this time and before the Colombian crop came in. This did happen, which finds its parallel in price movements today. Nearbys rose to a premium and the discount continued on futures. The turn of the year found conditions even worse. Prices bounced up and down. Salvadors and Colombians dipped to as low as 50 cents and bounced back again on the news of the fixing of minimums by Central American countries. Brazils dipped likewise on the news of the resignation of the finance minister and the president of the Bank of Brazil, and soon recovered.

During the spring of 1955, consumption of coffee was on the increase in this country and in other parts of the world. Price reductions to the consumer were stimulating consumption. Stocks held by roasters continued at a very low level. Roasters were buying hand-to-mouth, and in buying would pay a premium for spots or for near arrivals. The spread continued between the futures and spots.

During June and July green men reported increased activity among the roasters. Spots were held at as much as a 3¢ premium in New York. Brazils moved from about 50¢ to 52¢ and in July to 55¢, with July 1956 at 55.4¢. Colombians were quoted at 60¢, with spots as high as 65¢. During this time, in the latter part of July, very heavy shipments of coffee were unloaded on the Pacific Coast. Coffee ships had been leaving Brazil with only token loads, and the steamship people were feeling pretty low.

### Brazil's frost

News of the frost in Brazil gave an impetus to the upward movement in futures and strengthened the nearbys, but this strength did not hold to its best levels. It was felt that not even an illusion of a shortage could be created, and whatever the loss in Parana there would still be a surplus of coffee.

During August, as the devaluation threat became more imminent, quotations became depressed. Brazils were being offered at 52½¢. What happened as the end of the guarantee period passed has already been covered.

As of the time of this writing, the market strength continues. September Brazils are 57.50¢. Colombians spots in San Francisco at 70-1/4 to 1/2¢. More confidence has been brought into buying with assurances from Brazil that any devaluation in the future will be made on a

(Continued on page 93)

GREETINGS

TO MEMBERS AND VISITORS

AT

ANNUAL CONVENTION

OF

NATIONAL COFFEE ASSOCIATION

SAN FRANCISCO, 1955

•

JOSEPH G. HOOPER JR. CO.

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SAN FRANCISCO, CALIF.

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*National Coffee Association Convention*

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The coffee break is developing into a national institution in the home as well as in industry.

Unfortunately coffee is not getting a fair break in this campaign. This is indicated by a recent Pan-American Coffee Bureau survey which revealed that housewives are brewing regular coffee at 62.7 cups per pound, as an average, with some making as many as 100 cups, or more.

Progressive roasters can help overcome this trend toward a weaker brew by (1) advocating in their publicity and advertising a proper brewing formula; (2) by imprinting this formula on all their coffee containers; and (3) by repeatedly stressing to their customers that "*COFFEE COSTS SO LITTLE . . . AND GIVES SO MUCH.*"

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---

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SAN FRANCISCO — CHICAGO — NEW ORLEANS — NEW YORK

---

**"It pays to trade the Ruffner way"**

---



The Fairmont Hotel, one of NCA's convention sites.



Hotel Mark Hopkins, headquarters of 1955 sessions.

## NCA's 1955 convention program

### Reports on coffee consumer studies, as keys to sales promotion, to highlight San Francisco sessions of National Coffee Association

*All events listed in the program are in the Hotel Mark Hopkins, except where noted otherwise.*

Hotel. Entertainment at dinner has been provided by the members of the Pacific Coast Coffee Association.

#### MONDAY, October 10th

8:30-9:15 a.m.: Coffee break, Room of the Dons.

9:30: Opening session, Peacock Court. Presiding, James M. O'Connor, Jewel Tea Co., Chairman, National Coffee Association; welcome, Ernest L. Shaw, President, Pacific Coast Coffee Association; introduction of honored guests, James M. O'Connor; vice chairman's report, Arthur L. Ransohoff, A. L. Ransohoff Co., Inc.; Address, Horacio Cintra-Leite, President, Pan-American Coffee Bureau; address, Rilea Doe, vice president, Safeway Stores Co.; address, Henry F. Holland, Assistant Secretary of State.

2:30 p.m.: Forum, armed Forces Roasting, Peacock Court. Open Session.

6:30-8:00 p.m.: N.C.A. Officers' Reception, Peacock Court.

#### TUESDAY, October 11th

8:00 a.m.: Ladies Continental Breakfast, Top of the Mark; followed by Virginia Worth shopping tour. At the conclusion of the tour, buses will leave for the San Francisco Golf Club, for lunch.

9:00 a.m.: Buses will transport gentlemen and those ladies not engaged as above to the San Francisco Golf Club. *Sports Program at the Club*—men's golf tournament, ladies' golf tournament, tennis tournament.

12:30 p.m.: Luncheon at the club.

2:00 p.m.: Ladies' bridge and canasta tournaments.

3:00 p.m.: Ladies' putting tournament. Buses will return to the Hotels beginning at 4:00 p.m.

6:30 p.m.: Pacific Coast Coffee Association reception (black tie), Persian Room, Fairmont Hotel.

8:00 p.m.: Dinner (black tie), Terrace Room, Fairmont

#### WEDNESDAY, October 12th

8:30-9:15 a.m.: Coffee break, Peacock Court Lounge.

9:30 a.m.: Business session, Room of the Dons. Presiding, A. L. Ransohoff; president's report, John F. McKiernan; presentation, Lawrence E. Benson, Benson & Benson, Coffee Consumer Survey; address by a leading West Coast advertising or sales manager; address, Miss Kay Hillyard, Home Economics Editor, Sunset Magazine.

2:00 p.m.: Panel session, Consumer and Institutional Merchandising, Room of the Dons. George Loeffler, the Nestle Co., Inc., L. E. Benson, Miss Kay Hillyard, Eugene Laughery; moderator, T. Carroll Wilson.

6:30 p.m.: Cocktail party, Mezzanine Floor.

8:00 p.m.: Annual banquet, Peacock Court. Presentation of Pan-American Coffee Bureau Golf Trophy. Dancing and entertainment.

#### THURSDAY, October 13th

8:30-9:15 a.m.: Coffee break, Peacock Court Lounge.

9:30 a.m.: Business session, Room of the Dons. Annual meeting of members of the National Coffee Association (for members only). Presiding, John F. McKiernan, president, National Coffee Association. Committee Reports—Treasurer's Report, Government Coffee Purchasing Committee, Public Relations Advisory Committee, Necrology Committee, Resolutions Committee, Agricultural Development Committee, Special Committee, Brewing Committee, Constitution and By-Laws Committee, Finance Committee, Hotel and Restaurant Committee, Membership Committee, Trade Development Committee, Nominating Committee. Election of officers.

11:30 a.m.: General Order Club, Mezzanine.

6:30 p.m.: General Order Club, Mezzanine.



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★ A Coffee Convention "Fact Reference" Feature: Theme

## "Meet Mrs. Consumer"

an open letter from ...



JOHN F. MCKIERNAN,  
President  
National Coffee Association

Dear Mr. Editor:

I'd like to tell you something about a lady friend of yours and mine. Her name is Mrs. Consumer and, as you know, she's going to receive a lot of attention at this year's convention.

I got to know Mrs. Consumer a little better by reading some remarks about her made by speaking at recent grocers' convention. For instance, a representative of one of our best known women's service magazines reminded her audience that: "These women who are your customers are people, not just statistics or figures . . . They cook and clean and love and dream and maybe nag a little now and then. They are living, breathing persons. If you will start thinking of them in that way, you will add the one big link that is missing in your business today . . ."

Another speaker, discussing advertising slanted toward Mrs. Consumer, pointed out that: "The modern woman no longer wants to be known as a household drudge. She wants and appreciates help in becoming emancipated. She wants the manufacturer to tell her how his product will help her." And the same speaker came up with this thought-provoking statement; "The basic target of *all* food selling is no different today than it was yesterday. The target is that strangest of all places . . . at least to men . . . a *woman's mind*."

If it is true, as the experts tell us, that sales are made in the mind and that the woman's mind should be the prime target for coffee sales, then what we have planned for this convention should be of tremendous interest to coffee businessmen.

We've been told that the success or failure of our merchandising efforts depend upon the impression they make on the mind of Mrs. Consumer. What then makes better strategy than to find out more about her attitudes and reactions?

Most of the other factors relating to coffee sales seem to be in our favor. The economy of our country is at the highest summit yet reached. It has exceeded all expectations and astonished many contemporary historians. Yet some industries, and ours is one of them, are not in this rarified atmosphere.

That is why the N.C.A. has talked with 2,000 typical

home-makers—2,000 Mrs. Consumers—representing all sectors of the country. At this convention, we will learn what they think about coffee and, more importantly *why* they think as they do.

We are confident that we will obtain practical information from this study. And it is *practical* information that we need. If the coffee industry's marketing is to keep pace with crop production and with the intensive efforts of competing beverages, it will have to review its techniques and strategy. It will have to blaze new trails with different and improved merchandising procedures.

A great opportunity is offered to us. Our population is rapidly increasing, incomes are at record levels, and consumer resistance is on the wane. We are at the threshold of a new and vastly larger market for coffee. To exploit this opportunity is to guarantee our own prosperity. But if we ignore it, or accept it with apathy, the resulting weakened economy of many nations could pose a greater problem. I submit that the most tactical information which we can utilize to accomplish our goal is to be found in the mind of Mrs. Consumer.

All of this is not to imply that we have neglected Mrs. Consumer until now. Although not always in the forefront among considerations which determine N.C.A. activity, we have kept in mind the importance of her influence upon the coffee trade's welfare.

In one of our 1955 activities focussed directly on consumers, N.C.A. staff members talked with nearly 1,500 club-women attending the General Federation of Women's Clubs Convention. These delegates, all of them key opinion-molders and representing every state in the union, visited our Coffee Hospitality Lounge, and enjoyed a cup of coffee with our staff members. Many of these clubwomen made comments on the excellence of the "perfect cup of coffee" we served to them. It was brewed under the constant supervision of Coffee Brewing Institute staff members, who shared our role of host. Despite some critical remarks, it was most gratifying to hear that most of these consumers manifested a far more friendly attitude toward coffee than they had during their 1954 convention. We feel that this type of consumer contact, in an informal and hospitable

(Continued on page 83)

# GREETINGS

*to the 1955 Convention  
National Coffee Association*

**C. A. MACKEY & CO., INC.**

NEW YORK, N. Y.

NEW ORLEANS, LA.

Port Au Prince, Haiti

Ciudad Trujillo, Dominican Republic

## ★ A Coffee Convention "Fact Reference" Feature: Research

# rediscovering coffee

### a study in consumer motivations

By CHARLES G. LINDSAY, Manager  
Pan-American Coffee Bureau

A cup of coffee is so much a part of the American way of life that it is almost universally considered the national drink.

The statistics of coffee consumption—how much coffee people drink, when they drink it and where they drink it—are well known. Studies such as those done for the Pan-American Coffee Bureau by the Psychological Corp., the Market Research Corp., and National Family Opinion, Inc., all have contributed to industry information on consumer buying practices, drinking habits, brewing strengths and other quantitative information.

The reasons why coffee has attained its status as a favored beverage have been assumed—and the assumption has been rather generally the idea that people just like coffee and drink it for that reason.

But none of the statistics at hand offer a real explanation of why the U.S. coffee market has shrunk during the past decade, instead of keeping pace with the growing economy and standard of living in this country. Per capita consumption of green coffee today is well below the level of 1946-49.

The *why* of this decline has also been assumed—and is generally attributed to price increases. But neither is this the whole answer, because the figures show that consumption has fallen off not only during price rises but also during periods of relative price stability.

Now, however, more definitive answers to the *why* of coffee drinking have been found in a new motivational research study that reveals hitherto unsuspected influences on consumers, in which price plays only a small part.

In a search for such answers, the Bureau decided, at the beginning of the year, to turn to motivational research, and retained the Institute for Motivational Research, a pioneer in the field.

Motivational research, for the Bureau, was new, but it is neither a new nor untried tool in the market place. Many major industries and leading companies, including coffee roasters and processors, have employed it to advantage.

Misconceptions about motivational research abound. It is not an attitude or opinion survey but is, essentially, the application of the techniques of the social sciences

to the problems of merchandising, to uncover the basic reasons for the consumer's buying decisions.

Modern psychology has found that human behavior and human decisions often are based upon seemingly illogical, irrational, and often unexpressed, factors. Motivational research explores, by the use of specialized techniques, primarily of psychology, the deeper emotional needs underlying decisions.

There are, in motivational research, far more factors than in quantitative market research. Seeking to answer why things happen, it relies upon the same types of response the psychologist seeks. It obtains by encouraging the respondent to talk freely and uninhibitedly about the subject. It uncovers the most deepseated consumer motivations, or "triggers" to action, which determine the consumer's decision to buy or not to buy—in this case, to drink coffee or not to drink it.

The findings of this motivational research study about coffee are many. They confirm some trade opinions and challenge others.

A finding of first importance to all in the coffee industry is that coffee has hit a "consumption barrier." At first thought, it is paradoxical that coffee's universal acceptance has caused this to happen. However, it is this very acceptance that has allowed coffee to become too commonplace, too utilitarian. The study finds that people think all coffee is essentially the same—"coffee is just coffee." They are not particularly conscious of variety or different blends or brews.

This is in part attributable to standardization of packages and to the broad uniformity of brand advertising which, in general, attributes to each brand the same qualities of aroma, flavor, or type of package claimed by all other brands.

It is also attributable to those less constructive types of coffee advertising that make extravagant cups-per-pound claims, or sell only convenience or economy.

All of this has contributed to changing coffee from an exciting, pleasurable beverage to one which people tend to accept as routine without thinking of how it helps them to enjoy life.

A major task—and industry objective—the study proposes, is to help people "rediscover" coffee in all its many facets.

It states what might well be a truism: "The very reason for the existence of coffee is that it is not a utilitarian product." Rediscovering coffee, in the eyes of the study, is possible in many ways: re-establishing its sensory

(Continued on page 84)



★ NCA Convention — Welcome to San Francisco

# coffee consumption

a look



at the historical record

By HENRY HOPP

Chief

Trade Statistics and Economic Geography Branch  
Foreign Agricultural Service  
U. S. Department of Agriculture

The coffee trade—like most industries—continually faces the problem of sizing up the immediate future. In evaluating the outlook, let us recognize that broad economic trends outside the industry may determine what will actually happen.

The coffee industry is in a particularly favorable position to develop good outlook information. It has good current information on supply, consumption, and price. Furthermore, unlike less-integrated industries, it has long historical records which can supply the statistical basis for judging the effects of various factors.

Those people who, through the years, have worked at compiling and recording the statistical position of the coffee industry, have performed an invaluable service. While it is true that the future is never like the present, and the present is never like the past, it is also true that the economic responses to a given set of factors are not likely to change much over the years. A look at the historical record can therefore be constructive and useful in judging the outlook for the immediate future.

## Production-price cycle

It is now quite apparent that the coffee trade has completed another course of the well-recognized production-price cycle. The rising prices of the last several years evidently reached their peak in 1954. As in earlier years, rising prices stimulated new planting and rejuvenation of old plantings. By 1954, world supply (July 1st stocks plus exportable production) was barely more than the average consumption level; only rarely in the past had supplies been so limited. But with consumption decreasing as a reaction to higher prices and with production increasing, the extreme of the cycle appears now to have been passed.

With production again on the increase, significant effects on price and consumption must be anticipated. Recalling the specter of the 30's, when huge surpluses piled up following the planting activities of the 20's coffee producers and traders have reason to regard future production prospects with concern. Does increased production mean drastic price declines? To what extent

can consumption be increased to offset the increasing production?

Looking at 70 years of coffee statistics, we find that there were two previous periods of markedly increasing production: 1896-1907 and 1927-1937.

Prior to 1896 world coffee production was about 10,000,000 bags. From 1896 to 1907 production doubled, coming close to about 20,000,000 bags. This level was maintained, with some variation, until 1927. Then, in the next ten years, exportable production jumped to about 30,000,000 bags, the approximate level today. The trends of coffee prices and consumption in these two periods could be useful in assessing the outlook for what now appears to be the third major period of increasing production.

It is instructive to observe that the two previous periods of increasing production and the present period were the result of similar events: rising prices accompanying extremely low supply-consumption ratios.<sup>1</sup>

## Price, income and consumption

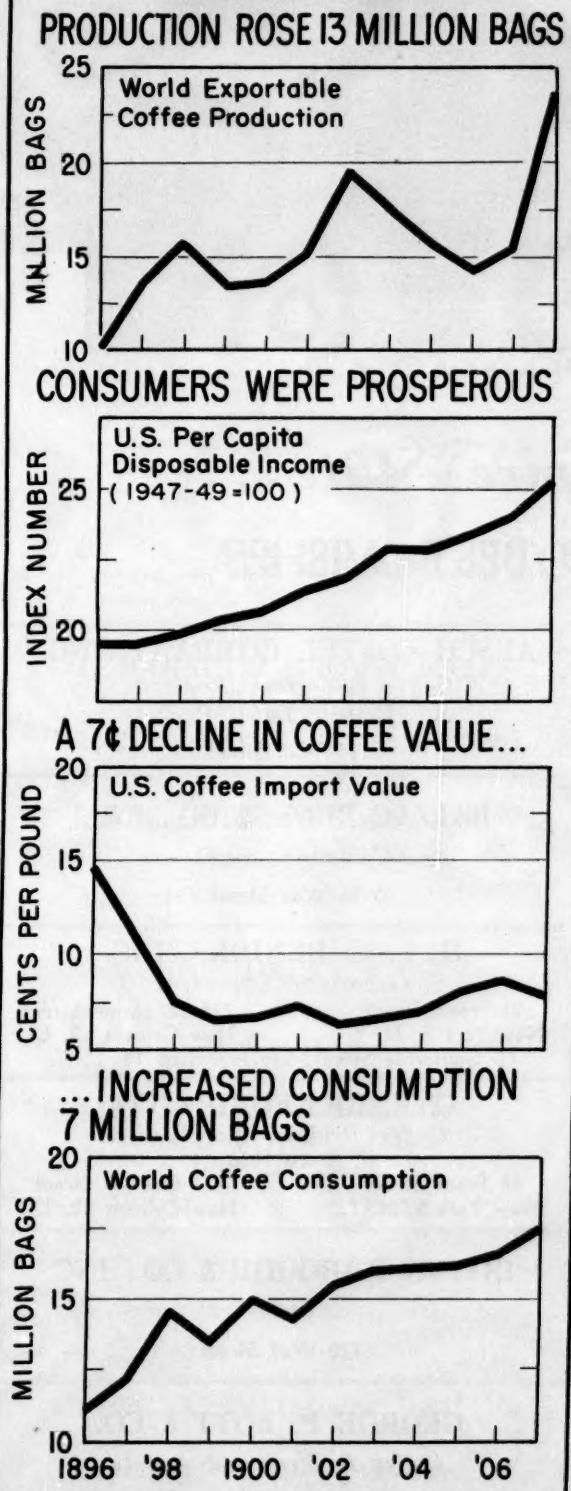
The accompanying chart shows that the consequences of increasing production were quite different in the two periods. The first period, 1896 to 1907, was one of growing prosperity. The index of United States per capita disposable personal income went up by 25 per cent. Europe was also increasingly prosperous during this period. Hence, this increase in coffee production came at a time when income levels were high in consuming countries. Under these circumstances, a moderate downward adjustment of prices had a remarkably stimulating effect on consumption. Coffee prices in 1896 and 1907 compared as follows:

Year <sup>2</sup>	Import value cents per lb.	Retail price cents per lb.
1896	14.6	28.8
1907	7.9	25.6

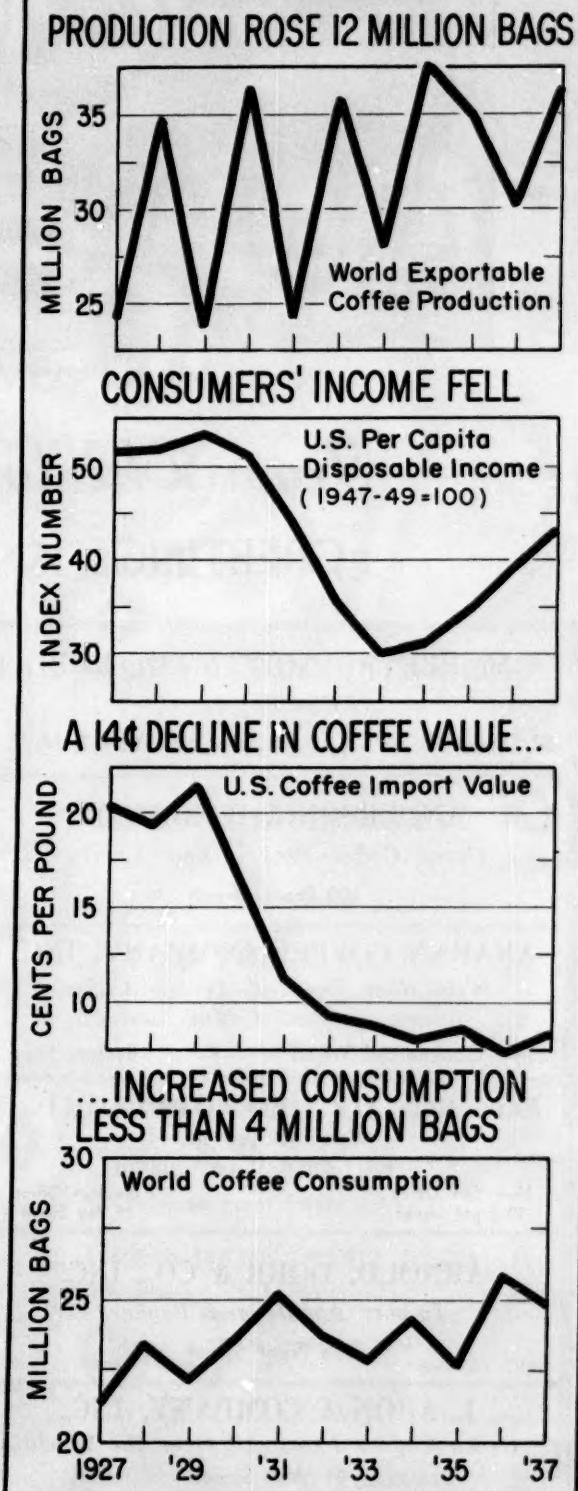
Thus, import value fell about 7¢ and retail prices fell even less. Yet the decline was sufficient to stimulate  
(Continued on page 156)

# LESSONS FROM THE TWO MAIN PERIODS OF INCREASING COFFEE PRODUCTION

1896-1907\*



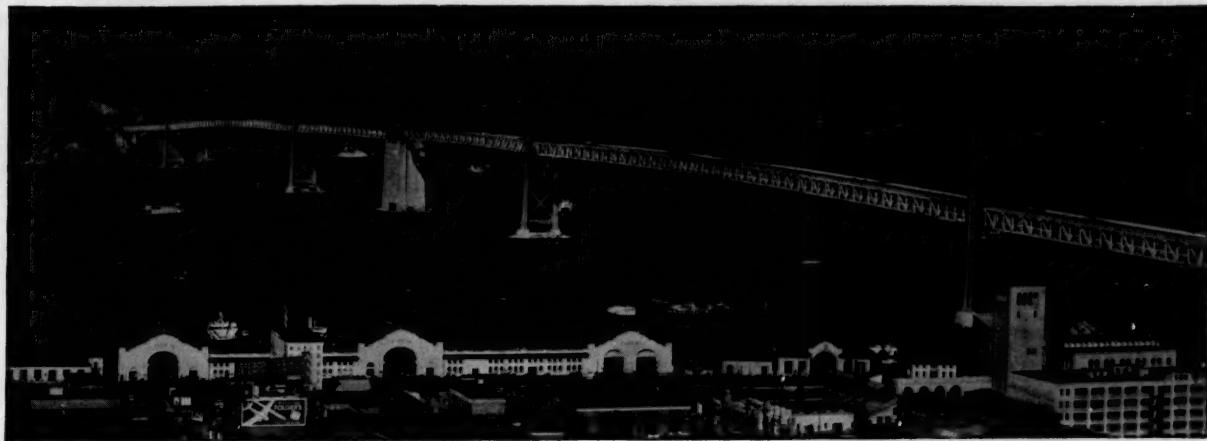
1927-1937\*



\*Crop years ending in years shown

OCTOBER, 1955





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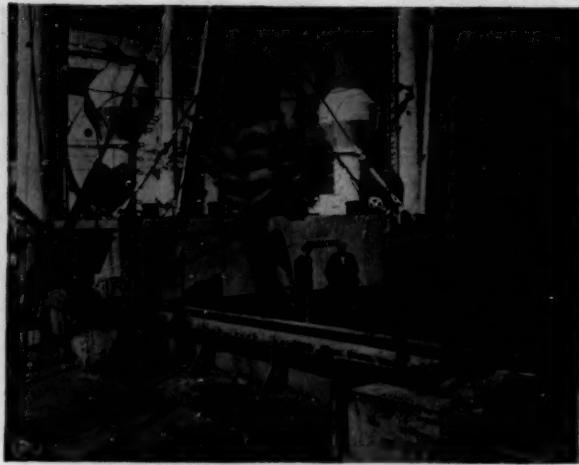
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OF FINE COFFEE

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New York 5, N. Y.

★ A Coffee Convention "Fact Reference" Feature: Direction

## how to increase consumption

By ARTHUR L. RANSOHOFF, Vice Chairman  
National Coffee Association

Being in the green coffee business, the writer naturally feels a slight reluctance to expound on how more coffee can be sold to the U. S. retail consumer. But this is the problem presently facing the industry and, after almost 40 years in the business, I have developed definite ideas as to how coffee *should* be sold.

One of the answers, as I see it, is better coffee in the cup. Ultimately, coffee is only as good as the efficiency of the person who brews it. What purpose does careful buying, meticulous roasting and blending and proper packaging serve if, when Mrs. Consumer finally picks up your brand of coffee and gives it a place of honor on her kitchen shelf, she doesn't know how to use it properly?

It is probable that many consumers don't know what really good coffee is because they don't know how to make it. Dramatic proof of this failing was disclosed when the National Coffee Association and the Coffee Brewing Institute served coffee to some 2,500 delegates and visitors at the General Federation of Women's Clubs convention in Philadelphia last May. Almost without exception these women commented favorably on the delicious coffee served them. Many said they did not like the coffee they themselves were making at home. The reason, it was found, was that these women *DID NOT KNOW HOW TO MAKE COFFEE*.

With this disclosure in mind, Eugene Laughery, general manager of the Coffee Brewing Institute, asked roasters to remedy the situation by printing brewing directions on their labels.

In view of the Pan-American Coffee Bureau's recent findings on the average number of cups being brewed from one pound of coffee, it is not surprising that consumers are discontent. Roasters who recommend an excessive degree of extraction are doing themselves, as well as the industry, a great injustice. By inference they condemn other brands and retard the attainment of the industry's goal of increased consumption.

Restaurant customers list good coffee as the most important food item on the menu, according to the Nejelski survey. Obviously, then, institutional sellers of roasted coffee should influence their customers to improve the quality of their brew by returning to the 16-ounce package, together with the proper amount of water.

Aside from the importance of a better end product, coffee is definitely in need of more effective merchandising to bring consumption back to, or beyond, its



former high levels of more than 18 pounds per capita reached in the late forties. The proposed increase for advertising by the Pan-American Coffee Bureau will certainly benefit the industry. Then, too, the Bureau has appointed a man with a considerable background in coffee and a proven record of being able to increase coffee sales. The National Coffee Association, of course, will continue its efforts to achieve the common goal of increased consumption.

Our industry, during 1954, had the harassing experience of suffering from an unfavorable press. A friendlier attitude on the part of editors, or at least a lack of notoriety as far as coffee is concerned, should indirectly help us to regain lost ground, consumption-wise. Thanks to our public relations activities, that situation is considerably improved.

Surprisingly enough, coffee is much in the limelight these days—and in the most unexpected places. Just last month the U. S. industry was well-represented when a leading Fifth Avenue store in New York devoted its larger front windows to fall fashions set against a backdrop of coffee equipment and products.

Other manufacturers who are not connected with the coffee industry in even a remote way are setting an example for us by using coffee to sell their products. When two menswear manufacturers wanted to introduce "coffee-colored" menswear, they sought out the N.C.A. for assistance. Members were given the opportunity to stage coffee breaks at the local level in conjunction with introducing these two new lines.

Capehart Television is using a coffee bar in local dealer outlets. Window banners will announce that free coffee is being served inside, shoppers will receive a free coffee mug for listening to the sales pitch, and a free electric coffee maker for buying Capehart.

A Better Homes Show and Hobby Exhibit in Stamford, Conn., gave each visitor the opportunity to take home a pound of coffee for less than wholesale. And among the most famous of all coffee breaks during 1955 were those staged for stockholders during the proxy fight for Montgomery Ward.

The potential market for coffee is vast and ever-growing. For the 116,378,000 million people over age 15 today, we will have 123,553,000 million in 1960—all of them potential consumers of coffee.

But they have to be influenced to become consumers. More intensive merchandising, better indoctrination in brewing procedures, and a sharper accent on good public relations *will* influence them.

I have cited examples of other people who are willing to help us do this job. But they *will* not and *should* not do the whole job for us. It's a big job and it's *our* job, and I'm sure that this industry can and will do it.

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## rebuilding consumer confidence

By HORACIO CINTRA-LEITE, President  
Pan-American Coffee Bureau

While coffee is a familiar market-basket staple, like potatoes or beans or breakfast cereal, there is a difference in public attitudes toward it that distinguishes this fine beverage from all other commodities.

In the average American household a shortage of breakfast eggs creates no crisis; the housewife substitutes cereal and the day's first meal is taken with the usual serenity. But if there is no coffee for breakfast, the reaction of the family is one of blackest disappointment. Those who drink coffee—and most do—count on the lift of well-brewed coffee to start each day; absence of the first cup of coffee leaves an emptiness that is both frustrating and upsetting. In short, coffee is tied in closely with our sense of well-being and with our emotions.

In the coffee industry we have been frequently appalled by the violence of the reactions of the consumers over price fluctuations or threats of shortages. On several occasions these outbursts have achieved the fervor of a crusade in which all segments of the industry—grower, roaster and dealer—were exorcised as conniving to create sham shortages as an excuse for raising prices. Sometimes, unfortunately, this anti-coffee agitation was deliberately stimulated by interests that should know better, and for reasons I cannot understand.

In the industry we know that there were no sham shortages. We know that the crises were real and that the effect on prices was the natural and inevitable result of the law of supply and demand—too little for too many and prices go up; too much for too few and prices go down.

The Pan-American Coffee Bureau and others interested in the good name of the industry presented facts to combat unjust accusations and re-learned that where emotionalism is concerned, logic is of little avail.

Obviously, if the industry was to do something about the problem, it needed to know more about why people feel so strongly about coffee. Thus, a psychological—motivational research—study was undertaken to find the underlying causes.

For example, in analyzing the rather violent emotional reaction against coffee on occasions within recent memory, the psychological researchers believe that resentment against coffee was the more bitter because the beverage which people look to for help and solace was instead

contributing to their anxiety, such as their worry over shortages and prices.

This, and many other significant findings, are all incorporated in a report of this unusual study now being prepared for distribution to the entire coffee trade by the Pan-American Coffee Bureau.

If one single conclusion can be drawn from this study, it is that the coffee industry's major job is to rebuild consumer confidence to a point where the industry's side will at least receive as fair a hearing as do other commodities.

It is, therefore, all the more important that a sound, progressive consumer relations program be carried out. What do we mean by consumer relations? Since nearly nine out of ten people drink coffee, in its broadest sense consumer relations means public relations.

And in its broadest sense, public relations means exactly what it says—relations with people which lead them to form opinions, about our coffee industry and its product. It can take the form of advertising, merchandising materials, publicity, statements or any other means of communication.

If you believe, as I do, that public goodwill for its producers is an important factor in the sale of any commodity, then it is obvious that all elements of the coffee industry must work together in an atmosphere of unity, mutual understanding, and unity of purpose, if we are to expand our markets.

Looking back over the last couple of years, it is perhaps small wonder that the consumer first became confused, then resentful. For within our own industry there was not only lack of unity, but frequently an open schism on a problem that could have been solved by everyone working together.

That this was fostered by those who were willing to risk a short-term gain as against a long-range loss is a condition found not alone in the coffee industry. There are elements like that in all industries.

But because coffee is different in the minds of the public, the damage was all the greater, and longer lasting.

There are also those who seem to believe—or at least like to argue—that there is no mutuality of interest between the Latin American coffee producers and the United States coffee trade.

By what stretch of the imagination could it be claimed that the people who work to grow coffee, and depend on it so completely for a living, would have other than a keen interest in expanding its consumption?

How can there be anything but a common aim between us when it is recognized that the economic and social welfare of whole countries and millions of their citizens depend upon selling every coffee bean they can at fair prices?

(Continued on page 84)

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## ★ A Coffee Convention "Fact Reference" Feature: Public Relations

# communicating with Mrs. Consumer

By JEROME S. NEUMAN, Chairman  
Public Relations Advisory Committee  
National Coffee Association

As every coffee man knows, the best results are obtained when the temperature in his roaster is constant and reaches all areas.

The same is true of public relations.

In my opinion, our industry's public relations will not have achieved its ultimate goal until we can see its effects in much higher consumption statistics.

This is not to say that N.C.A. and its members have made little progress in this department. On the contrary, I believe that we have made long strides in the direction of better consumer relations. But we still have a long way to go.

During the past year, we have seen the N.C.A.'s public relations budget increased and its program expanded. Most of the holes torn in the dike of public goodwill during 1954 have been plugged up. Consumer resentment has waned and the sting of editorial criticism is no longer an epidemic.

And yet, while we have reconciled our industry to consumers, we have not—not by many millions of pounds—completely restored our product to their good graces and their dining tables. The public at large is not like some types of individuals who are said to "bruise easy but heal quick." We've got to be constant suitors if we want to win back its confidence and its goodwill. At this convention, we will acquire some information which should help us plan our future campaigns. The results of our survey are, at this writing, in the hands of the experts who will analyze, appraise and interpret them. On paper, the findings look like cold statistics. Actually, they spell out the opinions, the prejudices, and—most important to us—the buying (or boycott) motivations of 2,000 typical Mrs. American Consumers.

While our consumer survey should provide a compass by which we can plot our merchandising and public relations course, we must not expect it to prove a panacea. The answers to why the public feels the way it does about coffee are not, in fact, the cure for any of our troubles. They are only the diagnosis. It's up to us to devise, concoct, and apply the formula that will favorably influence the consumer's opinion.

Perhaps the survey will show that there is no cause for any drastic change in our merchandising tactics. It might show that our current advertising and promotion themes are pretty squarely "on target." In that case, it will be

helpful to know that we are not wasting ammunition and that the effects of our campaigns should increase with every dollar's-worth of creative thinking and wider scope we add to them.

If, on the other hand, this consumer study indicates that our approach has been misdirected, we can revise our merchandising plans accordingly. In either event, our principal goals are to rebuild coffee consumption and win our share of the multi-million-dollar market. To achieve that, we must see to it that the virtues of our product are heralded more forcefully throughout the land.

The prospects of increased promotional funds for the Pan-American Coffee Bureau should encourage our own willingness to spend money to make money. Anyone who is exposed to the printed, radioed, telecast, posterized and billboarded ad campaigns of competitive beverages (and how many *hermits* are there in America?) knows what a comparative "drop in the bucket" coffee promotion represents. And unless the basic laws of merchandising are all wrong, our industry will reap in sales volume only in proportion to what it sows in sales effort.

By that I mean "sales effort" in its broadest sense. Superior products in better packaging will not, by themselves, send sales volume soaring. Nor will better brewing campaigns, nor the world's most brilliant advertising copy and art, nor the cleverest promotional scheme. Not even a less critical attitude toward prices will, by itself, guarantee increased consumption.

Until and unless the combined assets of all these important factors are *communicated* to the consumer's attention and until they have influenced her in favor of coffee, we will be failing to exploit the skills and talents that this industry owns.

The job of communication is labeled with more than one tag. But together, they all spell *public relations*.

And the more we reach the public the better relations we'll have.

### "Meet Mrs. Consumer"

(Continued from page 69)

atmosphere, will continue to be an extremely profitable function for the coffee industry.

I hope you will excuse me, Mr. Editor, for running on at such length about this most sought-after lady in the land—Mrs. Consumer. As you know, most of your readers have great respect and affection for her. And we're looking forward to getting to know her even better at this convention. Hope to see you there.

Sincerely yours,  
John F. McKiernan

## ★ NCA Convention — Welcome to San Francisco

### **rebuilding consumer confidence**

*(Continued from page 81)*

Unless our mutual aim can be carried through to its final goal—the purchase of a pound of coffee by the consumer—any weak link threatens our entire objective. In many instances during the past two years, better understanding of coffee, knowledge of the basic facts, would have served as an answer to the housewife's questions concerning prices. Certainly, some form of answer would have been far more satisfactory than the usual one that was given, "Don't blame me," or "How should I know?" Many individuals, within certain segments of the coffee world, who in feeling that the growers' problems were not theirs, in turn found themselves trying to solve a loss in coffee sales resulting from their indifference.

This dissemination of knowledge about coffee is not only the responsibility of the growers. It is a responsibility that must be shared by the entire U. S. coffee trade, by the grocery stores or restaurants that sell coffee, and by the persons that come in contact with the consumer—be he grocery clerk or counter-service man.

That is another important factor in making the commodity, coffee, so different.

Regardless of the past and looking towards the future, now is the time for the coffee industry, in all of its parts, to work devotedly to re-establish itself in the consumer's good graces. Now that we can look forward to a period of stability, the time must be used to good advantage to

tell the story of coffee far and wide. If it is possible to develop a broad understanding of coffee, in both high and low places, and to create a deeper appreciation among consumers for the role of coffee in their everyday lives, much good will have been done to safeguard our future.

Although this job will require the best efforts of everyone in the industry, the producing countries through the Pan-American Coffee Bureau recognize their responsibility for taking the lead in this campaign.

It is our sincere hope to be able to expand our efforts in the field of advertising, public relations, and research to the benefit of the entire industry.

### **rediscovering coffee**

*(Continued from page 71)*

pleasures; emphasizing variety of brews in line with the current revival of individualism; identifying it as an important contribution to today's more gracious and pleasurable living.

Another principal finding is that there exists even today a subconscious suspicion in the minds of many people that coffee may be physically injurious or morally wrong. The three principal things that people most frequently worry about—all based on deep-seated misconceptions—are: the fear of addiction and dependence; the possibility coffee is a dangerous stimulant; and the feeling it is an aid to

*(Continued on page 86)*

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★ A Coffee Convention "Fact Reference" Feature: Brewing

## a matter of taste

**tell Mrs. Consumer how to get that flavor  
out of your blend . . . and into her brew**

By EUGENE G. LAUGHERY, General Manager  
The Coffee Brewing Institute, Inc.

No phrase in the English language applies more aptly to coffee than the old homily "It's a matter of taste." It sums up a factor that has more to do with the acceptance or rejection of the commodity than any other, for essentially that is what consumers are buying.

They are buying a flavor sensation. They have primed their purchase with anticipation. They expect something mellow, satisfying and refreshing; something that will lift their spirits. These are their requirements. They are not exorbitant, they are not unreasonable. In point of fact they are remarkably easy to meet. Yet, they are not being met.

The most notable omission in this connection, as far as the retail trade is concerned, is the lack of package brewing directions. They have virtually become "top secret", or at best vague, with most of the roasting fraternity. In many instances the package, which should be the most effective media for telling how, is devoid of suggestions. Not only is a good merchandising bet being passed up here but the only chance for some point of use control is being deliberately overlooked.

What's the value of a fine blend if the purchaser is not told, in precise terms, how to get the full, rich flavor it is capable of producing?

A meticulous care has been exercised at the processing level. Each brand is compounded with precision to give it a character that will set it apart. This character is meant to be translated through brewing into a distinctive flavor. This flavor can only be achieved by careful proportions, correct timing, clean equipment—in short, good brewing techniques. Unfortunately this phase, which is vitally important, is left to the whim, fancy and imagination of the buyer.

Needless to say, this condition has not been satisfactory for anyone concerned, particularly the roaster whose main objective is to gain and hold brand loyalty.

There is ample evidence that the consumer is anxious to learn how to make good coffee consistently. This ambition is not limited to neophytes or newlyweds. It is shared just as eagerly by women who have been brewing coffee for years. This attitude was forcefully brought home to representatives of the Institute during the annual convention of

the General Federation of Women's Clubs in Philadelphia last spring. Guests enjoyed the coffee served. Invariably their first question after sampling the brew had to do with the type of coffee used. The implication was that it was something very special. The ladies were assured this was not the case; that the coffee used could be purchased over the counter of most stores throughout the country, and that the flavor they were enjoying was due primarily to careful brewing.

Some of the women, who said they had brewed according to package directions, complained of inconsistent results. This inconsistency could largely be attributed to the "well rounded tablespoon" measurement, a system as archaic in cooking as the coal range. It's not only archaic, it's unpredictable, and can be downright extravagant. Take those so-called "well rounded tablespoons" and try to empty the contents into a standard measure. Nine times out of ten a substantial amount will spill over. This might be something for the roasters who are plugging economy to think about.

Aside from the economy factor, the standard measure is a potent merchandising feature. It takes the guesswork out of one of the most important elements in the brewing procedure; it helps insure consistent results; and it gives a greater assurance that the consumer will get the full-flavor benefits of a blend. Here is a field that can be profitably cultivated. True, the standard coffee measure is not new, but its possibilities have yet to be fully exploited.

Whether the consumer is preparing his own brew or purchasing it by the cup in some public eating place, his flavor requirements remain the same. He has very definite opinions about what he wants. He either gets it or goes to a place that can provide it. This attitude is not only important to the restaurateur but equally significant to his coffee supplier.

One of the interesting findings to come out of the recent consumer preference survey conducted for the Institute has to do with the prestige roaster representatives enjoy among restaurant owners and managers. He is relied upon for advice on brewing equipment and procedures.

Such a situation puts him in an admirable position to improve the quality of the beverage served, where such improvement is necessary. Here is a service area that is made to order for an enterprising roaster, but few are taking full advantage of the opportunity.

To capitalize on such an opportunity requires the services of salesmen who are thoroughly versed in the correct

(Continued on page 93)

## ★ NCA Convention — Welcome to San Francisco

### rediscovering coffee

(Continued from page 84)

laziness.

As a countering measure, the study recommends establishing coffee as a useful and moral product—one that helps people to "cope" with life. For the study finds that despite their lurking fears of coffee, people accept it because it makes them "feel like themselves again," is a helper in getting started in the morning, makes work easier, or in other ways gives an important assist to daily living.

Still another major finding is the decided resistance against an authoritative approach in telling people how to brew or drink coffee. People are proud of "my coffee" and tend to reject someone else's "right" way to make coffee.

The study emphasizes the desirability of respecting people's individual feelings about coffee and of inviting them, instead of ordering them, to try, to experiment and to discover different brews and coffees. It recommends against the "dictatorial" and suggests a permissive or "inviting" approach in "upgrading" coffee brewing methods.

It finds that people do change their brewing habits or taste preferences over the years. Most are receptive to trying new or different kinds of coffee flavors or brewing methods. Thus, while they will reject as selfishly commercial an authoritative, "Take two tablespoons to one cup of water," they will accept a permissive, "if you like rich, full-flavored coffee, you ought to try . . ."

In the full report there are a variety of other findings about the consumer's conscious and subconscious beliefs about coffee which offer many opportunities to the coffee industry. There are negative beliefs to be overcome and there are many positive attributes which people associate with the beverage that can be played up.

The motivations, the deep-seated impulses of consumers, that impel them to use or not to use coffee, as revealed in this study, can be a basis for shaping and sharpening our thinking and action. These meaningful answers to the "why" of the consumption statistics can show the way to greater sales for the coffee industry.

To make these findings available to the industry, the Bureau is now compiling the results of the study into a booklet which will soon be ready for distribution.

### African coffee growers parley

#### in Brussels on new organization

An international conference met in Brussels in an attempt to create a pan-African coffee agency, it has been reported.

The conference, organized by the Belgian Ministry of Colonies, invited France, Britain, Portugal, Spain, Liberia and Abyssinia to send representatives.

A spokesman for the Belgian ministry was quoted as saying: "We hope to create an African federation of coffee producers which would then join the American coffee producers in an international coffee office."

## Of Hearts and Flowers ...

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If you want to keep in touch with market conditions, world news on coffee, what's happening—and why—we should be able to help.

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# producers and consumers benefit from trading on the Coffee Exchange

By GUSTAVO LOBO, JR., President  
New York Coffee and Sugar Exchange, Inc.

If the New York Coffee and Sugar Exchange were forced to suspend trading in coffee contracts, for any reason except governmental price fixing, such as occurred during times of national emergency, actual consumption of coffee would decline to some extent, and perhaps seriously.

This rather incidental, somewhat nebulous, but very real function of this or any other commodity exchange may not be well understood, or even thought of, but it may well be its most important contribution to the general economy and to the industry it represents.

It is an economic truism that the demand for any commodity varies inversely to the price, but the extent to which price changes affect the demand differ greatly from commodity to commodity. The two products which are traded on the New York Coffee & Sugar Exchange illustrate this economic fact well.

Sugar is a relatively inflexible commodity. When the price of refined sugar to the consumer rose from about 6¢ a pound to 9¢ in the postwar era, it was not possible to show with the slightest degree of conclusiveness that consumption in this country was affected at all. But when the price of roasted coffee in 1953/54 showed the same percentage increase by moving from 80¢ a pound to \$1.20 a pound, American consumption dropped from 21,000,000 bags annually to 17,000,000, a very sizable decrease.

This is not some inexplicable phenomena of human behavior, but is due to inherent differences in the two products, as can be illustrated by one or two brief examples. Assuming 40 cups of coffee to the pound, the increase in the price from 80¢ to \$1.20 a pound meant an increase of one cent per cup. But a pound of sugar will, on the average, sweeten 60 cups of coffee. The increase from 6¢ to 9¢ a pound represented the insignificant increase of 1/20¢ per cup.

Therefore, while it is logical that at certain economic levels, the increase of one cent a cup of coffee would affect adversely the number of cups drank by an individual, it is difficult to see how an increase of 1/20¢ per cup of coffee for the sugar used in it, would deter anyone from using sugar in his coffee. Similarly, the half pound of sugar used to make a quart of ice-cream represents a difference of 1 1/2¢ per quart to the manufacturer, who either absorbs the increase, or if he reflects it in his price, finds it is so small compared to the total sales price of the product that it has little or no effect on sales.

In other words, coffee usage is sensitive to price changes because it is the major cost ingredient of the final product, whereas sugar normally is a minor ingredient, costwise, of the finished product.

It therefore follows that any situation that serves to increase the final cost of coffee in the bean or in the cup is harmful to total usage. Of course, this is apart from the normal functioning of the law of supply and demand in a free market, where shrinking consumption acts as a balance wheel to offset rising prices, and vice versa.

As in any agricultural commodity, the final selling price of a pound of coffee may be broken down into its basic component costs of:

1. Production
2. Processing
3. Distribution

## NCA's 1955 Convention Committee

Here are the coffee men who have been working for months to prepare the 1955 convention of the National Coffee Association:

Convention committee: Harold Gavigan, chairman, James A. De Armond, Jerome S. Neuman.

Prizes: Weldon E. Emigb.

Activities chairmen: Golf, Beck Rowe; Tennis, Eugene Heathcote; ladies events, Mrs. J. A. De Armond.

Entertainment: E. A. Johnson, Jr.

While it is not always possible to draw a fine line between these components, they may be considered to compose, roughly, the following:

1. Production
  - a) Costs of planting and cultivating
  - b) Costs of harvesting
  - c) Profit
2. Processing
  - a) Cost of preparing the harvested product for marketing—drying, cleaning, grading, bagging.
  - b) Cost of preparing the product for consumption—roasting, grinding, packaging.
  - c) Profit
3. Distribution
  - a) Collecting the harvested product before or after preparation.
  - b) Transportation to primary markets, storage, classification and consolidation.
  - c) Shipment to distribution markets or to roasters.

(Continued on page 94)

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★ NCA Convention — Welcome to San Francisco

# let's promote!

**10¢ a bag is not enough to do the job**

**25¢ can start it on its way . . .**

**but more will certainly be needed**

By HAROLD T. HANSON, President  
New York Coffee Roasters Association

This has been a momentous year since our last convention. The ups and downs of the coffee market have certainly made this a year to try the souls of all coffee men. Possibly the most dramatic lesson we have learned from all of this is that Mrs. Housewife just doesn't take things sitting down. She did not speak loudly as to what she thought of the price of coffee, but her actions eventually showed themselves with potent force.

All of us well remember the years of patient building that it took to raise consumption above the 20,000,000 bags-per-year mark. We, in years past, warned the producing countries that they would have to take steps to increase their production in order to keep up with the potential demands of increased consumption.

Then something happened.

The cumulative effects resulting from the frost of 1953 possibly hit us with the greatest force in November and December. The rude shock that consumption was off several millions of bags, and would possibly remain at a much reduced figure for sometime, unless something drastic was done about it, coupled with further price breaks in February and March, left the industry fairly groggy.

Word came out that moves were being made by the producing countries intimating that they would attempt to increase the money for coffee promotion from 10¢ per bag to 25¢ per bag. Our New York Association wrote letters to the proper authorities in Brazil commanding them on this move and hoped that prompt action would be taken. Other associations did likewise. Unfortunately, up to the present writing, nothing definite has been decided in that matter.

Every president of the New York Coffee Association, for the last seven or eight years, has made it their convention message, the urging of greater amounts of funds to promote coffees. We have suggested that a dollar a bag would develop a fund of such proportions that we could really make



a promotional impact that would bring coffee up to its rightful position. Whether a dollar a bag is altogether realistic isn't exactly the point. The point is that though a fund of 10¢ per bag years ago may have represented a forward move, certainly that amount cannot be adequate today.

Some terrific problems have raised their heads in the wake of those high prices. It was the writer's privilege to have been a member of the first Brewing Committee when it was formed by Jim O'Conner. We came out with a dictum confirming the old thought that from 40 to 42 cups of coffee should be the maximum that should be brewed out of a pound of coffee in order to have a really good cup. I am sure that all of the trade must have been shocked at the recent Pan-American Coffee Bureau survey which showed that the average home brew represented over 62 cups per pound.

Let's not talk about the restaurant business. We all know what has happened there. It is going to take work and money to reverse that trend. Ten cents a bag won't do it. Maybe 25¢ will start it on its way, but more than that will certainly be needed.

An important roaster once said to me that we would see the consumption swing reverse itself when coffees got reasonable enough so that people would start wasting it again. None of us know how low that will have to be. Surely we want the producing countries to get a fair return for their efforts and they are entitled to it, but coffee will never be in a healthy condition if its roasted price always has to be defended.

We cannot simply wait for people to start wasting coffee again to bring us into a state of prosperity. If 25¢ per bag represents all that can be gotten at present, let's at least get that and start it on its work quickly.

In spite of the frost in Brazil there still appears to be ample coffee, with world production on the upward trend. Let's work toward the end of again lifting consumption back to high levels. Higher production with receding consumption eventually spells disaster for both producer and roaster.

As president of the New York Coffee Roasters Association, I wish to convey on their behalf their best wishes to the national convention and to assure the National Coffee Association of our continued loyalty and support in their efforts to better the whole coffee industry.





## ★ A Coffee Convention "Fact Reference" Feature: Methods

# how to sell more coffee

By S. A. BRAND, Raymer-Brand Co.  
Seattle, Wash.

We can sell more coffee in the United States by adhering to the following points:

1. Glamorize coffee.
2. Sell 16 oz. to the pound.
3. Use catchy slogans and sales gimmicks.

*The consumer's thirst for coffee must be whetted.*

As for glamor, coffee has been in a state of retrogression, as far as the consumer is concerned, for quite some time. It is literally comparable on our daily menu to "soup of the day."

However, even lowly soup is being glamorized. Note the variety and catchy names: "French Onion Soup," "Turtle Neck Soup," "Cream of Mushroom," even "Vichyssoise" . . . just to name a few.

If the most lowly item on our bill-of-fare can be glamorized, just imagine what can be done for coffee!

Coffee growing and the overall production picture is rich in history and folklore. In addition, let the public know about its extreme importance in international trade.

Countries of production are all proud of the green coffee they grow and sell in international markets. Enlighten the public with glamorous names of the various types of coffee used in a blend. This will, of course, entail letting down the guard of professional jealousy which heretofore has seemingly protected specific blends.

Think of the impact on the consumer who sees on the label, or on menus, or in advertising that he is drinking coffee actually grown in countries spread around the globe.

Believe it or not, the average consumer thinks all coffee comes from Brazil. But all countries of production have various names for green coffee that to the consumer would sound glamorous, with no country excepted.

If you have a blend that includes a type of coffee your competitor is apt to use for ulterior motives, always remember in any sales presentation, "Every knock is a boost." Anyway, how many housewives know one growth of coffee from another, or care? But they are intrigued by romantic and glamorous names.

If necessary, produce several blends. One national soup concern sells many kinds of soup, although one kind outsells all the rest manyfold. With variety, you are bound to hit more consumers. Every person seems to have his own ideas about food because of slavery to his sensory nerve system. It is inescapable.

"A pint's a pound the world around" except in the



coffee industry. In some segments of the coffee trade we find that 14 ounces and sometimes even as low as 12 ounces claimed to be able to do the job means for a pound.

Who's fooling whom? You can't send a boy to do a man's job. A pound of coffee should still be 16 ounces, just as it is in all other food products.

At the retail level, the housewife is continually reminded that certain coffees will give you 1/5th more, or some other ruse is used to give the idea that she can make 80-and-upwards cups out of a pound. Those using this type of approach are not only hurting their own volume, but the volume of the entire industry.

At the restaurant level, recent surveys show that consumption is off. The answer sounds like stretching some place down the line.

Get the consumer and the restaurant operator to know what a good, full-bodied cup of coffee tastes like by urging them to use around 2 1/2 gallons of water to a pound of coffee, or in other words, to obtain about 40 to 50 cups from a pound.

Other members of the food industry try to get the consumer to use more. Why shouldn't the coffee industry?

Use catchy slogans and other sales gimmicks to make the public coffee conscious.

Take a leaf out of the approach used by the tobacco industry. Children of all ages try to mimic the penguin who pushes Kool Cigarettes. Can you find a person who doesn't know what LS/MFT stands for? When you even mention a bellhop in advertising, you think of Phillip Morris.

Too few of our coffee roasters are using any of the above approaches in their sales program. Those who are, are selling coffee. Just ask them.

"Make that 'One for the Road' Coffee" is one of the best sales slogans yet to hit the coffee promotion field. All roasters should get behind this type of advertising with all the enthusiasm possible.

Opportunities to speak before luncheon groups, appearances on television and even trade organization meetings have proven to the writer that the general public is sadly lacking in intelligent information regarding coffee.

And the tragically funny part is, coffee has always proven to be an interesting topic from a consumer interest point of view. The public not only thirsts for a good cup of coffee, but it also wants to learn more about it.

In summation, glamorize coffee, sell 16 ounces for a pound, and hit the public with slogans and gimmicks that will stick.

Following through on the above will definitely sell more coffee in the United States.

## ★ A Coffee Convention "Fact Reference" Feature: Approach

# promote flavor and aroma

By R. L. SCHUHMANN, President  
American Duplex Co.

### How can we sell more coffee in the United States?

We can sell more coffee just as more of anything else is sold in greater quantity, by simply giving more real value for the money.

Real value in coffee is its flavor and aroma, without either of which coffee simply is not coffee.

Coffee popularity was gained over the years because of those two attributes. Reduce or eliminate one or both of them, regardless of the reason, and you hurt coffee appeal, you make it more difficult to sell more coffee.

There isn't a growing industry anywhere which isn't continually striving to improve the quality of its product. The ones which are not growing are invariably the ones which think that over a long pull they can, by spending huge sums for promotion, succeed in selling convenience and/or price as a substitute for quality.

It's more convenient, for instance, to boil a frankfurter than it is to bake a ham, but what a whale of a difference in flavor! It's more convenient to buy a ready-made cake than it is to buy a cake mix and frosting and bake-it-yourself, yet it is reliably estimated that 350,000,000 packages of cake mixes were sold last year. That caused a lot of labor to be expended, a lot of pans to be washed and dried, and cleaning pans is definitely an inconvenient chore.

Today's housewife is certainly pennywise but, just as certain, she is not flavor foolish. Homemakers are loath to sacrifice taste appeal for economy. Flavor is the basic ingredient in any formula for selling more coffee.

James D. Woolf, formerly vice president of J. Walter Thompson & Co., in an article in *Advertising Age*, writes, "Seeking some light on the current trend in food advertising I have just inspected 44 food ads in the October issues of two national magazines. I appraised each ad on the basis of its major headline appeal; by this I mean the idea that was given dominant emphasis both in type and pictures.

"37 of these 44 ads played up the flavor benefit; 4 featured the health benefit; 2 spotlighted the time and labor saving benefit, and one emphasized economy.

"These statistics are significant because they represent 'the voice of experience'; the majority of these 44 ads are the work of experienced advertisers and agencies and many of the products are leading sellers. This situation does not astonish me; they serve merely to confirm my own long time experience in the advertising of food products."

The industry does the cause of greater sales no good when it fails to stress proper directions for use on each and every package, when it fails to sell the grocer on the fact there's money to be made in coffee, when it fails to try to discourage use of coffee as a loss leader, when

it fails to sell the restaurateur that coffee should not be stretched, that it makes or mars the whole meal he serves.

The industry does the cause of greater coffee sales the most good when it recognizes the fact that the surest way to give more value for the money is to pack the best possible grades in inexpensive paper bags and promote custom grinding at time of sale. Coffee's wonderful aroma permeating the store will sell more coffee, and because it is appetite whetting, it will sell other groceries as well.

Keeping the retailer happy is always good business. His is an urgent problem of floor space, turnover and manpower. Store grinding enables him to concentrate sales on fewer brands. Doing this, he conserves floor space, and carrying whole bean pack instead of three different grinds of any one brand he speeds up his turnover. With the new self-service mills the customer does the grinding herself, so no clerks are needed.

Recently Pierre Martineau, director of research of the *Chicago Tribune*, told the annual meeting of Central Retailer-Owned Grocers that in the large chains nationally advertised brands are losing ground in several food lines.

For example, he stated that in the A & P Stores in Chicago, 86% of the coffee sales are of the A & P brands. In the five major chains in the Chicago area, sales of the chains' private label coffee brands account for 35% of the total coffee market and the combined chain brands of tea account for 41% of the total tea sales.

It's hard to find anywhere a large chain or independent supermarket which does not offer store ground coffee, and it's impossible to find a bigger, consistent promoter than these same outlets.

### coffee trends on the Pacific Coast

(Continued from page 65)

gradual basis. However the long term prospect of surpluses has not been altered. The future will depend on how Brazil moves out coffee on hand, and any agreements the coffee producing countries make regarding the world allocation of coffee shipments.

From a purely economic standpoint, there remains to be seen what effect the appearance of the Central American crops will have on the market. The appearance of Centrals may bring about a reaction on these higher prices, and thus keep the Brazilian coffee moving in a range from 52¢ to around 57¢ as it has done for some months.

There is a lot of speculation as to what will happen over the next few months . . . but no one is smart enough to figure it out until it has happened.

## ★ A Coffee Convention "Fact Reference" Feature

### producers and consumers benefit

(Continued from page 87)

- d) Distribution to ultimate consumers; transportation to jobber, wholesaler or retailer, with attendant costs of storage and selling.
- e) Profits.

Recurring in each of these categories is the item of profit, and it is in the "profit" part of the total cost that we are interested. In any particular chain from coffee grower to coffee drinker there may be a few, or there may be many, profit items. Expand these profits, and coffee may "price itself out of the market". Contract them, and the use of coffee can surge forward again.

Have profits been unduly large? When the writer, no coffee man, indicated how small the profit share was in the total coffee price, from figures furnished and backed up by coffee experts, to a well known member of the United States Senate, he replied, in effect, "You can not make me believe that the profit margin between farmer and consumer, in an agricultural commodity, can be so small."

But untold thousands of man-hours expended by Congressional committees and their staffs, and by the Federal Trade Commission, failed to bring forth a single charge of excessive profit by a single unit of the industry. Perhaps the Senator still will not believe it, but the forces of government could find nothing to the contrary. What the Senator really failed to understand was the function of the Exchange in keeping profit margins small.

The writer is not so naive as to try to have the Senator,

or the reader, believe that coffee profits are low because of any altruism or basic love of humanity prevalent among the segments of the industry. Quite the contrary. Each, as is proper in a free economy, tries to charge as much for his services as the market will bear. But competition, that great force in our economic system, limits each to a reasonable return.

On the other hand, each group in the trade must make a sufficiently large charge to cover their costs and risks, in the aggregate, or the weaker will fail and the stronger assess a greater charge. And it is here that the New York Coffee and Sugar Exchange, as does any other organized commodity Exchange, makes its contribution to the economy.

Without entering into a discussion of how or why, which others have done well and at length, the functions of an Exchange which enable their users to minimize costs and risks may be summarized briefly as:

1. Open prices, openly arrived at.
2. Making unbiased information available to all.
3. Credit insurance.
4. Minimizing of financing costs.
5. Price insurance.

It matters little whether a few, or many, or all the members of each segment of the industry, are versed in the intricacies of Exchange trading. By the competition of those who use the Exchange to lower their costs and risks, those who fail to use its facilities for any reason must limit their charges to similar amounts, and thus the whole in-

(Continued on page 109)



**is preferred -- because of its**

- True Characteristics of Mild Coffee
- Cultivation in High Altitudes
- Preparation by Best Known Methods

**Plus: Expert Care in Final Removal of Defects**

DEPARTMENT OF AGRICULTURE

PORT AU PRINCE, HAITI

## ★ A Coffee Convention "Fact Reference" Feature: Associations

# NRTCMA: "Tailor made" cups of coffee

By NORMAN MANSFIELD, President  
National Retail Tea and Coffee Merchants Association

The subject of "How to Increase the Sales of Coffee in the United States" is a most pleasant one for me to write about. Our industry has always been advocates of making a strong cup of coffee, than "toning" it down to suit the individual taste.

We do not believe that anyone can make 60 to 65 cups of coffee to the pound of pure coffee and still get a cup of good coffee, any more than one can take a diluted solution of gasoline and by "toning" it up with ethyl, have a good running fuel.

We think it necessary to make a strong cup of coffee, 35 to 40 cups to the pound, (if using pure coffee) in order to get the real flavor.

After all, those of us who drink a cup of coffee drink it because we like its taste. Therefore, in order to get



the benefit of that taste, the original brew has to be strong enough so we can "actually taste" coffee.

Down in our part of the country, of course, we have always served coffee with hot milk, "cafe au lait."

In our own industry, we have talked about a "tailored-made" cup of coffee.

Make the coffee as strong as the coffee pot will permit the water to drip through: for Dad, three parts of a cup of coffee, and one part of milk, for mother, half and half; and for the children, one-quarter cup of coffee and three-quarters of a cup of milk.

For those hearty souls who want to drink it black, I recommend they drink it in a demitasse cup, as many demitasse cups as it takes to satisfy their needs.

We feel that the industry should advertise the goodness of real, strong coffee and to stop advertising 60 to 65 cups to the pound.

If customers get too many cups of inferior coffee out of a pound, maybe (Lord forbid!) they will get used to that weak insipid drink.

We would like to see adapted as a slogan, "Make strong coffee and keep our nation strong."

# Northwest: "Let's remind, not instruct"

By L. J. CLARK, President  
Northwest Coffee Association

It is said "An honest confession is good for the soul," so I am going to confess that by no stretch of the imagination can I give you the answer to how we can sell more coffee in the United States today.

Perhaps there are a number of people in the coffee industry who could write a paper, and in that paper tell us all how we can sell more coffee in the United States. However, for all practical purposes, let's ask ourselves the following questions:

Are we doing our share of selling the consumer on the idea of consuming coffee by agreeing with her that coffee prices are high? Are we doing our share in telling the restaurant operator to use less coffee?

Perhaps as a group we should go back to the old basic things that have been with us and around us.

There is an old saying, "We need not so much to be instructed as to be reminded." As roasters, let's remind the consumer that coffee is a delightful and economical drink; it adds to the purpose of life itself.

It's the little things that count, and coffee goes a long way to give the consumer a lift.

It is a stimulating drink so why haggle about pennies? Let's sell the consumer, let's sell the public the benefits that can be had from a cup of coffee.

All of us can do that together. Let's all remember, "We need not so much to be instructed as to be reminded." Let's remind the consumer that a cup of coffee is a delightful drink, and a very inexpensive one as well.

### a matter of taste (Continued from page 85)

methods of making fine coffee. This qualification has been lacking in many sectors during recent years. The omission is due in large measure to a shift in emphasis from quality to quantity. This has led to highly inconsistent brewing directions by individual roasters and a consequent substandard brew. While some improvement has been noted the condition is still prevalent in far too many areas.

In meeting this problem, the Coffee Brewing Institute has proposed the establishment of a coffee brewing school, a project whose effectiveness can only be fully realized

(Continued on page 108)



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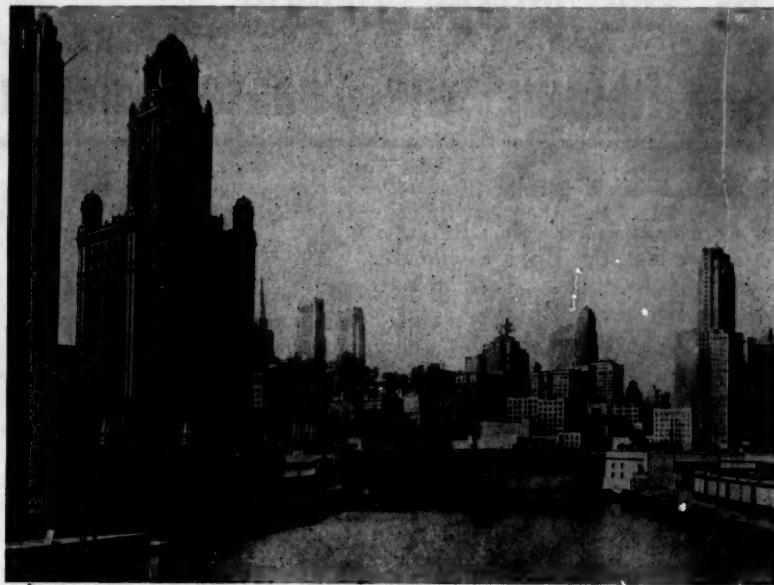
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★ A Coffee Convention "Fact Reference" Feature: The Coffee Broker

# the role of the coffee broker in helping the roaster increase sales

By KENNETH H. FAIRCHILD, Fairchild & Bolte

The principal role of a broker is service. Since this is principally keeping the roaster honestly posted, advising him and helping him in his many problems, he is in a smaller sense the same as a doctor to his patient.

The only difference is that the doctor gets paid.

After the recent frost, I was talking with an out-of-town buyer who stated a broker had told him the estimate of the damage in Parana was grossly exaggerated. This broker was either badly informed or deliberately misinforming his buyer to further his own bearish opinion or selfish interest. Such a broker, who refuses to change his opinion, is doing a disservice, and like the doctor who insists you are O.K. when you still feel badly, a change is essential.



The first requisite of a broker is to be honest regardless of whether such postings mean losing a sale instead of making one. Such brokers should be listened to and consulted not only on purchases, but principally on what coffees one can and cannot use.

The question of price has become such a factor today, testing and blending would appear to be a lost art, judging from some of the blends now on the market, and this is especially so as regards restaurant blends.

I realize that this particular trade is highly competitive, but my point is simply this: why not consult your broker on your blends? Let your broker help you in this very important phase of the business. It's pretty horrible to have a fine meal and end it with a cup of tea or milk, but it is far worse to be served a cup of earthy, groundy or fermented coffee.

To return to the question of postings, this is not limited to a broker's guess at what the market is going to do, but entails considerable study of statistics, ability to analyze cables, futures, the producer's problems and to interpret foreign exchange.

I do not say that these studies and conclusions are al-  
(Continued on page 109)

## Quality Coffees

### • BRAZILS

SANTOS  
PARANAGUA

RIO DE JANEIRO  
ANGRA

### • CENTRAL AMERICANS

GUATEMALA  
SALVADOR

NICARAGUA  
COSTA RICA

### • COLOMBIANS

MEDELLIN  
TOLIMA

ARMENIA  
GIRARDOT

MANIZALES  
LIBANO

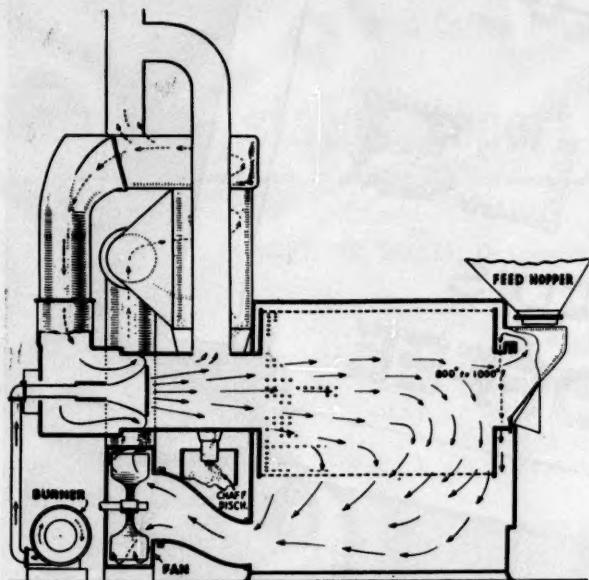
### • ECUADOR

UNWASHED

WASHED

*W.R. Grace & Co.*

★ A Coffee Convention "Fact Reference"  
Feature: Roasting Technique



Flow diagram of a Thermalro roaster

It's not an overstatement to say that the expression, "Thermalro roasted," is a byword in the United States coffee industry. Many people, however, think of Thermalro as a machine; whereas it is really a roasting principle, meaning "low-heat roasted."

It was—and still is—the result of much research, not only into machine design but also into the physics of coffee roasting.

Since there are a number of misconceptions about Thermalro roasting, a summary of the Thermalro story will be of interest to the coffee trade everywhere.

#### Background and research

The roasting of coffee resolves itself into a problem of transferring a given amount of heat into the coffee beans in a matter which is economical, uniform, easily controlled and conductive to bringing forth the optimum development of coffee's pleasant qualities.

In approaching research in coffee roasting, certain facts were known. For instance, coffee has a high propensity for absorbing heat from a surrounding hot medium. However, a coffee bean, like any solid object, is surrounded by a stationary gas film which resists transmission of heat by conduction. It is also known that the natural oils and waxes are highly resistant to degeneration resulting from oxidization, but they are more readily oxidized when their temperature approaches 450° F.

Near this temperature, however, the fiber of the bean is charred and the oils and waxes burn. It was only the presence of the insulating gas film which prevented serious burning in pre-Thermalro roasters. However, we realized that coffee would absorb heat efficiently if the method of heat transfer could reduce the insulating film. Finally, it was evident that radiant heat is independent of this film and flows directly into the coffee.

Armed with these basic facts and criteria, we conducted extensive experiments on the relative merits of different heat transfer methods. Research conclusively

established that with radiant heat, the use of safe temperatures was impossible. When the intensity of radiation was reduced the coffee baked. When the intensity was increased, the chaff and oils burned. Moreover, fuel consumption was considerably greater than in previously standard open-flame or indirect flame roasters. Experiments with heat by convection merely confirmed experience with previous roasters—namely, that high temperatures (about 2,000° F.) of the products of combustion, were necessary to penetrate the film of gas around the bean. Therefore, remaining research was aimed at finding a means of uniformly reducing the insulating film.

This was accomplished by rapid circulation of the products of combustion—"washing off" all but a tiny residue of the insulating film. The temperature of the heating medium was reduced to 800-900° F. No chaff was burned, and the film residue completely protected the oils, waxes and fiber. Moreover, the center of the bean was thoroughly roasted without over-roasting the surface.

With a constant source of heat and automatic control of the velocity of the heating medium, the thickness of the insulating film is uniform and the temperatures are kept within a narrow range. By recirculating the medium, heat transfer efficiency is maintained at a very high level.

#### Advantages of Thermalro roasting

The Thermalro process, briefly summarized, is efficient heat transfer by means of rapid circulation of low (safe) temperature products of combustion through the mass of the coffee. Actual flame does not enter the Thermalro cylinder. The temperature never becomes high enough to scorch the beans—either directly or by excessive temperature of the roaster cylinder. Spotting is eliminated. Chaff is not burned. Surface fats and waxes are not damaged. The products of combustion are recirculated through the burner, preventing any sooty deposit on the coffee. Dampers control the proper venting of excess

(Continued on page 117)

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## ★ A Coffee Convention "Fact Reference" Feature: Soluble Status

# a status report on soluble coffee

By CLIFFORD SPILLER, Director of Marketing  
Maxwell House Division of General Foods Corp.

Soluble coffee sales to consumers continue to gain, with the category running 16% to 18% ahead of corresponding year-ago figures. This is especially significant for at least two reasons: (a) Soluble sales in 1954 were considered to be abnormally heavy because of public reaction to the very high ground coffee prices, and (b) the gains registered thus far in 1955 are in the face of a spirited recovery in ground coffee movement to consumers.

During the three years 1951 through 1953 the price spread between a pound of ground coffee and a 2 oz. jar of soluble—on retail shelves—averaged approximately 36¢. This differential soared to more than 55¢ during mid-1954. Currently, this price difference is hovering around the previous level—35 to 37¢.

Another measure of the stature achieved by instant coffees is dollar volume through retail grocery outlets. Latest reports indicate that present movement represents an annual sales volume in excess of \$300,000,000. This compares with an estimated \$1,200,000,000 for grocery sales of ground coffees.

Expressing the size or importance of the soluble market as a certain share of the cups of coffee represented by total grocery coffee sales involves assumptions that are controversial. If we arbitrarily equates 2 oz. of soluble and one pound of ground coffee, then soluble usage is roughly one-third of the total. Some favor applying a correction factor of 75% to soluble sales before comparing them with ground coffee movement, and such an approach reduces the soluble share of the total to approximately 27%.

Even more important is the clear indication that, thus far, most of the coffee purchased in the form of instant coffee represents additional consumption. The 1954 figures may seem in disagreement with such a conclusion, but public reaction to the record high prices for ground coffee brought about distorted relationships.

Solubles continue to make their greatest strides in the eastern one-third of the U. S. The experience in that area does not indicate that there is a "saturation level" in sight for instant coffees despite the fact that ground coffee movement has held up well.

The soluble share of total grocery coffee sales maintains a high level as we move westward until we hit an imaginary line just east of Chicago. This mythical line of demarcation runs from Lake Michigan down the

western boundary of Indiana then across to Memphis and follows the Mississippi River to the Gulf of Mexico. Such a precise dividing line is patently an exaggeration, but it is remarkable how the popularity of soluble coffee east of that line differs with its acceptance in areas west of it. Even so, soluble sales are increasing in this western two-thirds of the U. S. at about the rate experienced in the east three years ago.

A study of the coffee-buying habits of a representative cross-section of families throughout the country discloses some interesting facts. For example, it is not young modern brides who buy the most instant coffee per family; rather it is small city families in the "over 50" age group. And families in the upper income brackets use significantly more soluble coffee per family than those with lower earnings. More important is the fact that those families using both ground and soluble forms of coffee continue to drink more of the beverage by a good margin than families using either type exclusively.

Well over 60% of all soluble sales are in the larger jar sizes—4, 5 or 6 oz. in contrast to the 2 oz. size. It would appear that convenience is fully as significant as economy, as reasons for this preference by consumers.

There have been interesting developments in metal containers suitable for this product and plastics have been considered as a possibility. Non-breakable, lightweight containers would offer many advantages in the form of transportation savings, higher packaging machinery speeds, and less chance of damage to the product because of broken containers. One big unknown—which should be explored—is the reaction of Mrs. Housewife to a container differing significantly from that which she has come to associate with the product.

Additional brands continue to appear on grocery shelves, with the latest count being in excess of 150 separate labels. It is interesting to note that there are fewer than 20 processors of soluble coffee in the U. S.

In general, it would appear that those brands winning acceptance are quality products heavily supported by franchise-building advertising and aggressive promotional activities. To date, there is little evidence that a few cents lower shelf price alone will win and hold allegiance of large numbers of consumers.

Thus far, soluble coffee has not made noteworthy progress in the public feeding field, accounting for no more than 1% of total hotel and restaurant pack sales. Institutions and caterers, however, are showing more and more interest in solubles because of the prospect of labor savings.

Many of the nation's airlines use individual envelopes  
(Continued on page 109)

## ★ A Coffee Convention "Fact Reference" Feature: Soluble Perspectives

# can the regionals do it in instants, too?

Can these brands repeat their regular coffee achievement  
by winning the largest share of the soluble market, also?

By RICHARD BLUN, Marketing Consultant  
Bureau of Advertising, ANPA

Is the United States of America gradually becoming more the "Uniform States of America" than it was formerly as regards preference for blends of coffee?

Is the convenience provided by soluble coffee lessening the demand for local and regional blends manufactured by local and regional coffee roasters?

American business produced many local and regional coffee roasters who competed so successfully that only two big brands of regular coffee became truly national, and even they take a back seat in many local markets. A. & P. brands, of course, are semi-national, but local or regional roasters competing with them have succeeded in securing a considerable share of the market.

Will soluble coffee eventually change this picture? This question is bound to stir the coffee business until it is finally resolved.

Old Judge, Folger's and Manhattan still lead the regular coffee field in St. Louis<sup>1</sup>; we presume that Victor in Boston is still going strong although recent figures are not available; Wilkins remains tops in Washington<sup>2</sup>; Savarin is high in New York<sup>3</sup>; Folger's Hills Bros. and MJB still beat Maxwell House and Chase and Sanborn in the West Coast cities for which we have research data.<sup>4</sup> Hills Bros. and A. & P.'s Eight O'Clock lead Maxwell House in Chicago,<sup>5</sup> with A. & P.'s Bokar and Manor House right up there too; and Red Diamond and Royal Cup lead Maxwell House in Birmingham.<sup>6</sup> These examples of the strength of local and regional brands could be multiplied many times.

But the big question is, are these brands confronted by a declining market? Will soluble coffee continue to increase its share of the market? Will Maxwell House, Nescafe, Borden's and other national brands continue to lead the soluble field, not only nationally, but locally too? Will some one of these national soluble brands win out in each local battle—and they have been battling locally as well as nationally; how could they help it?—or will American business develop just as strongly on the local level with soluble coffee as it did with regular coffee?

Motivation research experts tell us that some early studies revealed that housewives tended to look down at the woman who used soluble instead of regular coffee. She was lazy, spendthrift, not a good wife, according to a big percentage of housewives interviewed.

But she continues to buy soluble coffee. Maybe because her husband has to catch that train and needs his cup of coffee in a hurry. Maybe there are guests whom she

should be entertaining instead of disappearing for a length of time to brew coffee.

Soluble coffee, of course, is an answer in these and many other such circumstances. Advertisers have learned that an appeal stressing times when a woman is smart to use instant coffee can be superior to a direct "hard sell."

Will this make the housewife feel more and more that she is smart and efficient, rather than lazy, in using soluble coffee? This is another question time will have to answer.

Bernard Sachs, editor of this magazine, wrote an article recently in which he ascribed some of the troubles of the regular coffee roasters to the fact that "a vastly greater slice of the soluble coffee sales dollar was plowed back into advertising than was done with regular coffee." Here is another factor that has to be considered.

In any case, information from a variety of sources indicates the following:

Soluble coffee may now have close to 35% of the total home consumption coffee volume.\* In the highest areas for soluble coffee sales, this figure has reached somewhere between 40 and 50%. The lowest sales areas are considerable under 35%, with rural areas, for the most part, lowest of all.

Although the *rate of growth* in the highest areas has slumped considerably, the saturation point is still mighty hard to predict.

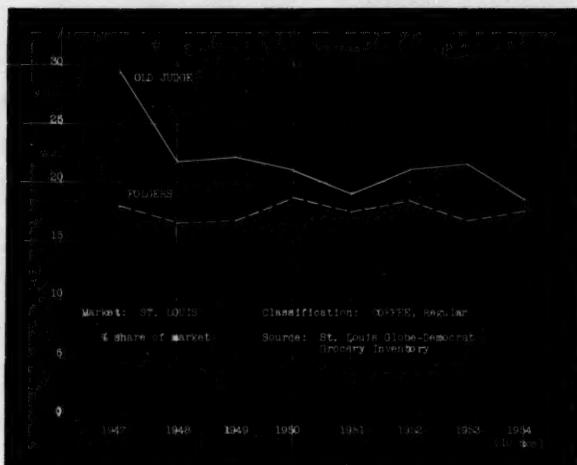
The *rate of growth* in the lower areas continues strong, so no one can be sure whether or not a natural resistance to soluble coffee in those areas is sufficient to prevent sales from eventually growing as large as in the rest of the country.

Nationally, the *rate of growth* of soluble coffee sales is probably about the same as it was *before* the recent period of very high prices for regular coffee, but somewhat lower than it was *during* that period. While increasing population kept regular coffee sales up despite the increase in sales of soluble, even that was not strong enough during the period of very high prices.

Finally, in view of the uninterrupted rise in sales of soluble coffee since the end of World War II, it would take quite a degree of confidence in regular coffee to predict its

\*This is based upon 2 oz. of soluble being equivalent to 1 lb. of regular coffee. That is questionable, we understand, but it has been in use as a simple method of comparison. There do not seem to be any generally accepted research findings concerning actual consumer usage which established any other basis. We have, therefore, used this, but readers who consider it to be too favorable to soluble can lower all percentages in terms of what they think should be the proper ratio.

## ★ A Coffee Convention "Fact Reference" Feature: Soluble Perspectives



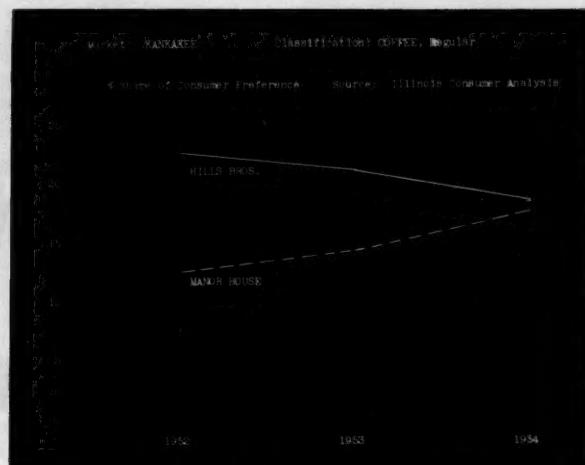
ST. LOUIS: While one of the charted brands has shown some loss over an eight-year period, still the two leaders in this city, with a combined share of 35.9 per cent of the market, are local brands.

share of the total market will not continue to decline.

Some local and regional roasters have already had to face the alternative of trying to increase their brands' percentages in a declining market for regular coffee, or of entering the soluble coffee business. As a result, quite a few local and regional roasters have gone into the soluble business, although a large percentage of them, including many big ones, have not taken this step.

An interesting development in the East is "Tenco," a plant, jointly initiated by ten Eastern roasters, which turns out ten different blends of soluble coffee to be sold under ten different brand names. Some local and regional brands which have turned up in newspaper Consumer Analysis Studies are Folgers, Wilkins, Edwards and Arco.

On the manufacturing side, a roaster entering the soluble field is presented with some tricky problems. Some regional roasters ran into trouble with the first soluble products they produced. But then, national manufacturers had



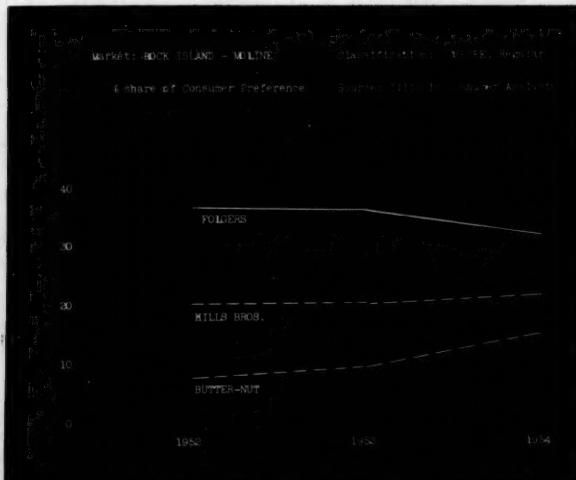
KANKAKEE: These happenings are not limited to large cities. Look at this market where two regional brands have the one and two spots of consumer preference with a combined 37.1 per cent.

similar trouble at the beginning. Moreover, various engineering organizations and plant equipment manufacturers are now able to help materially in the solution of these problems.

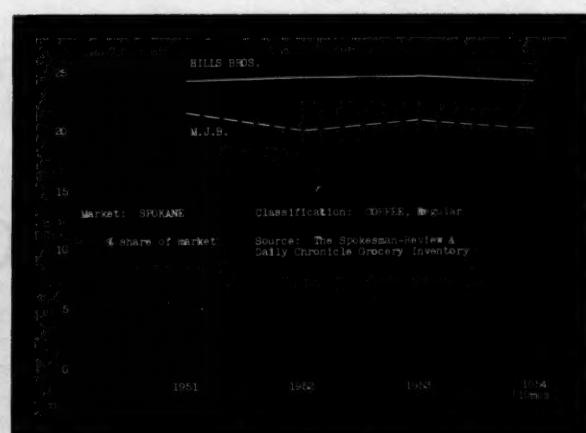
A further obstacle seems to be the fact that initial plant cost is pretty sizeable and can only be justified by a fairly high output, which, of course, requires a *big* volume of sales. (The "Tenco" organization provided one solution to this problem. Many regional roasters have solved the problem through the trade processor of instant coffee, an answer that requires no capital outlay.

Up to this point, this article has brought up questions facing the coffee manufacturing industry today, and, in passing, some of the steps that have been taken in answering some of them. Lest any reader think this article will provide the overall answer, let it be stated such is not the intention. We believe that just as it is our function to

(Continued on page 154)



ROCK ISLAND-MOLINE: A slightly larger market with three brands, none of them national, in the first three spots. Their combined share of consumer preference is a whopping 71.4 per cent.



SPOKANE: Here we have two regional brands, backed by strong local advertising, occupying the one and two spots—and taking a combined 44.9 per cent share of the market. The picture of regional strength of regular coffee is repeated across the country. Can regionals do it in instant coffee, too?

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## **100% Pure Instant Coffee**

Produced for your own label by an exclusive high-vacuum, low-temperature process. Something different from the "same look and taste" competitive products to offer your customer.



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**WALPOLE, MASSACHUSETTS**

★ A Coffee Convention "Fact Reference" Feature: Soluble Manufacture

# new approaches to soluble coffee manufacture

By W. H. KANNINEN, Director  
Food Technology  
Foster D. Snell, Inc.

In the light of established consumer acceptance, soluble coffee is definitely here to stay. Whether this acceptance can be attributed to possible economies in use, or to the booming convenience market in foods, there can be no question that soluble coffee has won an imposing share of the total coffee market. The trend appears to continue in lively fashion, as indicated by recent surveys, despite the previous skepticism of some who warned of a "bust" to the soluble coffee boom when coffee prices would show present stability. It is significant to note that this acceptance of soluble coffee has occurred despite the recognized difference in its flavor qualities.

Although, in some respects, soluble coffee is a unique product, in a sense it may be considered analogous to such other consumer items as the various fruit juice concentrates and to certain flavoring extracts. In the former instance, a point of similarity will be found in the manufacturing process, with specific reference to comparable methods used in preparation of the concentrate. In the latter analogy, as exemplified by vanilla extract, the concept extraction of a flavor containing volatile aromatic principles, with its attendant problems, is an important factor of similarity.

Considering the problems involved in the manufacture of orange juice concentrate, the analogous problem of retention of the volatile aromatic principles normally lost, even with low temperature evaporation, has led to a newer thinking on this score in the concentrated orange industry. From a consideration of certain basic physical principles involved in concentration by evaporation of water, it appears that "retention" of low boiling aromatics in the medium is well-nigh impossible. The less desirable expedient of recovery and re-introduction of the condensable fraction of the volatile flavor principles has, therefore, led to development of a new process recently described for concentrating fruit juices by "slush-freezing." The basic principles operating in removal of water by freezing minimize the volatilization of aromatics inherent in a process of concentration involving evaporation of water. Logical considerations indicate that the principle of slush-freezing could well be applied to coffee extracts. Aside from the possibly greater investment required in process equipment, the lower energy requirements provide a further advantage for freeze-drying.

On the analogous matter of flavoring extracts, a basic concept is implied, which differentiates "flavor principles" from "flavor solids." This concept recognizes that the flavor principles, while related in strength to extractable solids, are not extractable solids in the usual sense of the word. Instead, the substances contributing an important part of the overall flavor strength and quality represent

a relatively small proportion of the weight of total extractable material. Acceptance of this concept in the flavor extract field has led to the development of recognized standards, notably for vanilla extract. Logically, since beverage coffee is prized for its flavor, rather than for its solids content, the same considerations could be applied to coffee extracts.

Mindful of the accepted status of soluble coffee, it is now of greater importance to reach some kind of standard of flavor strength and quality. This objective may well be reached through adequate consideration of the similar concepts and problems of analogous products, and proper application of common manufacturing operations in the light of these concepts.

It is probably safe to surmise that most of present day soluble coffee manufacture is not governed by such concepts. Rather, the emphasis has been on obtaining the greatest net yield of soluble solids, irrespective of their contribution to total flavor. To some degree this sort of thinking is understandable, since in a highly competitive consumer market, there are certain advantages to giving the consumer a greater net weight for the same money. However, the time is probably not far distant when, with increasing understanding, the consumer will look beyond the statement of net weight or apparent volume of a package of soluble coffee, and consider the more intangible matter of flavor strength and quality.

To some extent this type of thinking has been reflected in the many patents describing means to effect greater retention of the aromatics which mark the important difference between soluble coffee and its freshly-brewed counterpart. For reasons indicated previously, these attempts may be only partly successful at best, in view of the fugitive and changeable character of the volatile coffee aromatics. A more logical approach to this end should consider a process based on slush-freezing, as exemplified by the earlier Zorn Process and the more recent Cunningham Process, which minimize escape of volatiles and avoid the deteriorative effects of atmospheric oxidation and higher temperatures.

The time may be not too far distant, after soluble coffee has been firmly established, when some standards of quality may be provided. While flavor may be somewhat difficult to define objectively, there is every reason to believe that, insofar as the composition of extractable solids is concerned, standards based on analytical factors may be employed. The logical criteria would be in terms of the solids composition of freshly-brewed coffee. Since some variation can be expected on this score, due to the many process variables, some latitude in tolerances should be provided.

## ★ A Coffee Convention "Fact Reference" Feature: Merchandising Solubles

# merchandising your instant coffee brand

By CONNOR F. LAWRENCE, General Manager  
Sol Cafe Manufacturing Corp.

Quite often, we hear that "the way" of doing business has changed radically in the last several decades, that Pavement pounding, imaginative selling, genius in merchandising, are gone. We hear sometimes that selling has given way to marketing analysts, research organizations and consumer surveys. Some people tell us that because a test panel in Minnesota liked a certain product, it can be sold with a minimum effort in St. Louis—or that because housewives in Tennessee like apricots, New Jerseyites will buy apricots.

This kind of thinking can be stretched to cover any product in any area, with unit prices ranging from a few pennies to many dollars. Too often, we forget regional tastes, traditional backgrounds and geographical differences which influence the preferences of our customers.

Let us consider instant coffee, a product which has achieved, within a short period, gigantic proportions as an adjunct to the food industry.

### Why instants grew

We all know the convenience and economy aspects which instant coffee offers to the consumer. Also, quality has improved vastly, and despite the hazards of the green coffee market, and with shelf prices "all over the lot," the product has doubled and then doubled again in consumer acceptance.

Here is a product which *has* developed largely due to "pavement pounding," aggressive merchandising and superb advertising.

However, because it is a new product and because of the modern complexities of supermarkets, instant coffee has missed what "new" products once needed as a requisite—the personal touch. As sales clerks have been replaced with self-service and self-selection methods due to newer merchandising practices, the need for high power *point-of-sale* material has increased.

The personal service which formerly marked many retail transactions is now severely curtailed or eliminated completely in the modern supermarket. Accordingly, *point-of-purchase* display material must perform a major part of the merchandising and selling function.

Today's stores utilize great quantities of display material and permanent selling devices. We are all familiar with the store directories at the front door, counters and aisles plainly marked with the type of products to be found at specific locations. Throughout the store one sees attractive placards, banners, streamers and signs of every description calling attention to a multitude of products.

Instant coffee has been promoted widely through newspaper and magazine advertising, radio and television. *But it has failed dismally at the point of sale.*

Where *point-of-sale* material has been used, it has done more than any other medium to accelerate instant coffee sales. It is a well-known fact that in the largest proportion

of consumer purchases, the final decision to buy a specific branded product is made right at the point of sale. The housewife may know days in advance that she will need to buy coffee when she next visits her food store, but the decision to buy instant or regular, and one brand or another, is often made as she stands at the coffee department.

This is the moment when we must catch her attention with an attractive price, a handsome package and a product she has heard of before. *Point-of-sale* promotion is the final follow-up to all the other advertising we have done previously.

Vital to the sale, and more important to the *repeat* sale of instant coffee, is its quality. Quality, of course, means taste appeal. Hence, instant coffee must, to continue its growth, come close to the taste of freshly brewed coffee. This has been accomplished. The roaster or chain store operator need be concerned no longer that in marketing an instant coffee of his own, he may be selling an inferior product. Instant coffee is now comparable in quality to hundreds of fine food and beverage products found in any store. In our advertising and particularly in our *point-of-sale* merchandising, quality can be stressed with full confidence.

Our salesmen can be educated, our store clerks should be told, the advantages of instant coffee. This, too, is a form of *point-of-sale* merchandising.

Another form of selling is the direct-mail method. While we seldom see large supermarket operators using direct mail advertising, we frequently see the smaller independent using it. It has been proven exceptionally effective.

Direct mail is an extremely simple and inexpensive predecessor to the *point-of-sale* campaign. Letters mailed in midweek will reach the housewife before the weekend, when most visit the food stores. Two or three direct mail campaigns during the year can be most effective in promoting instant coffee. By so doing, both roasters and supermarket operators can keep their customers informed regarding weekly or monthly specials, and give attention to other products as well.

### Seasonal sale

Another form of worthwhile marketing is the seasonal sale.

Experience indicates that better sales results are achieved in instant coffee with three special selling efforts a year—fall, winter and spring. None of these should be for more than ten days in duration, or less than a week. If possible, each should take advantage of a particular holiday, such as Thanksgiving, Washington's Birthday and Easter. During these periods the customer should be "pre-sold" through newspaper advertising and direct mail—then, with the customer in the store, she must be "reminded" with special *point-of-sale* material. Display baskets are most

effective, "bin backers" do a good job, and counter cards with special posters can double or triple sales during these periods. Often special arrangements can be made to utilize the checkout area or shelves adjoining the cash register, with additional sales resulting.

Many of us seem to take for granted that the present-day location of a coffee department in the food store is a permanent one. Many chains now realize that instant coffee deserves ample shelf space adjoining the regular coffee shelves, where in years past instant coffee could be found in six different locations in as many weeks.

#### "Own Brand" instant

We must remember that the customer now knows where we are. The coffee location is permanent. Our customer goes there once or twice a week. She could walk there with her eyes closed. We must take advantage of this permanent location, concentrating our selling effort, changing our displays frequently. This is our selling ground—the battleground—and this is where we must concentrate. If we do not, sales will slip.

More and more stores and coffee roasters are aware that instant coffee deserves equal shelf space with regular coffee, and permanent areas have been designated where their "own brand" is sold along with nationally advertised brands.

In selling one's own brand, prestige is gained and history has proven that one's own label provides greater profit. We all know that to have "your own brand" creates a stronger tie with your customers, hence if the housewife is satisfied, her confidence in your store or in your products is greatly strengthened.

It is vital to the management marketing its own private label that the *label* itself is properly selected. Look at your own products: the label must be attention-getting, it must have eye-appeal, it must signify quality.

Experts tell us that proper package design can make or break a sale. Just think of what goes on in the mind of a prospective customer when she sees your product or even holds it in her hand. Past advertising has influenced her. Direct mail may have brought her to the store. The label will be influential in her final decision to buy.

In marketing and merchandising your own instant coffee, you must be alert both to the needs and to the whims of the customer who wants quality and convenience, insists on simplicity, and needs economy.

Because the buying public moves slowly and because in the opinion of many, instant coffee sales are still in their infancy, we must continue our selling efforts all the time.

It is only natural to resist something new until more is learned about it. We know that instant coffee has had one of the most rapid increases in acceptance of any food product in history. It is climbing steadily. It has been promoted, true, but we can and must do much more in customer education and in obtaining customer interest. This is where "specials" come in.

Your instant coffee can be sold at a special "two for" price, reflecting perhaps a ten-cent saving to the customer. Special offers giving five cents or ten cents off per jar are very effective, if limited in time. Best of all, it could be merchandised as a related product to another item in your line, such as tea bags, regular coffee, cocoa, cakes and doughnuts, etc.

Occasionally you might offer a special premium, such as refrigerator jars, cutlery, tableware or any of a vast variety

(Continued on page 113)

## THE NESTLÉ COMPANY INC.

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Processors of Better Quality Instant Coffees



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SERVING CLIENTS IN 18 STATES

## ★ A Coffee Convention "Fact Reference" Feature: Solubles and You

# getting into solubles

By GEORGE HARRISON, President  
The Harrison Co.

One hears little about the manufacturing problems of a coffee roaster. Expansion, operational changes, packaging or smoke abatement call for some planning, but with little exception, these items are commonplace to the roaster and his experience guides him readily to the selections that will unquestionably suit his requirements. Choice of equipment has been narrowed to proven types, and rarely does a roaster have to gamble with some untried machine for which the builder claims revolutionary results. The coffee roaster who has accommodated himself to the manufacturing phase can devote himself almost completely to the king-size problems of selling.

There is far greater risk in setting up an instant coffee plant than there is in getting up a roasting plant, because knowledge of the manufacture of soluble coffee is largely in the "art" stage and has a long way to go to be classed as a science. There are so many variables in the fundamental procedures, on coffee types and roasts, on equipment limits, and most of all on regard for the product.

If the roaster elects to add soluble coffee processing to his schedule, he faces a totally new category of problems, the impact of which may at first be highly discouraging. It is like starting over again in a strange place with strange people and a new set of rules. Entering such a place on one's own, fortified only with the determination to produce soluble coffee, calls for a period of self-apprenticeship, courageous decision and learning to profit quickly by error.

It becomes somewhat easier when, on entering this new and strange place, there is an able guide to assist one over and around the rough spots, but such able guides are scarce and expensive. The selection of "experts" can be difficult, because however reliable the available men are as control chemists, food technologists, chemical engineers or mechanical engineers, it is rare to find men who can qualify as being all-around capable. There is no doubt that the single all-around expert or a group of men who are really expert in different phases of manufacture can produce far quicker and surer results at much less end cost. This method might take a year or two before a production unit is evolved.

A roaster might consider "slow" development as a processor while establishing his instant coffee through a private label processor. This thoroughly logical method permits learning by experience, with considerable saving



in the long run. A small pilot undertaking, which can be enlarged later or used as test equipment after the main production unit is in operation, would serve as a "school."

A suitable cushion of resources in keeping with the project size is essential for expensive equipment, training, long start-up time and for employing technical talent. In order to stay abreast of improvements or to come up with some of his own, he must also figure on the cost of a research program, whether he carries it out in his plant or hires experienced, reliable technicians to guide him.

It is of the greatest importance to know what is needed. Briefly, such items include equipment for extraction, clarification, drying and packaging, each phase of which must be fitted with suitable loading and discharge carriers, piping, pumps, liquid storage, air movement, collection, separation, etc. . . . all new to the roasting trade.

Zealous salesmen may believe their particular product is ideal, but it can prove unnecessarily costly to buy, install and use items that have nothing more than the salesman's word to go on. Equipment companies might make suggestions, but because of their wide range of activities and the newness of instant coffee processing, they can hardly be considered sufficiently oriented in actual operation and quality standards. Once decision is made as to what equipment is needed, it is essential to buy from reliable firms who will stand by their product with guarantees and service.

The manufacture of soluble coffee should remain a coffee man's responsibility, even though its technical procedures are engineered by others. At the bearer of costs and concern for quality standards, the roaster is best advised to set the minimum requirements which his staff of technicians must maintain.

Of course, the quickest way to get into soluble processing is to buy a successful plant operated by competent personnel.

### a matter of taste

(Continued from page 95)

through the cooperation, advice and counsel of the trade.

It is suggested that one of the basic objectives of the coffee industry from this point forward should be the re-emphasis of the flavor factor. The first step in achieving this objective rests in re-educating the housewife and the restaurateur in the proper procedures to be followed in capturing this characteristic.

Good taste at beverage level can enhance the popularity of the commodity and aid materially in building up an ever-widening appreciation for a drink that's become an American institution.

### **the role of the coffee broker**

*(Continued from page 98)*

ways accurate; if they were, such a broker would not need any clients. But I do mean a broker should be able to answer any of these questions for a better than 50% score.

I remember a very wise large Front Street importer once told me that he had agents in many producing countries, and that if they were right 51% of the time, he was perfectly satisfied.

The above sums up my idea of the type of broker a roaster should cultivate, and what services he should demand and get.

The roaster himself has erred of his own accord, brought on by the high prices. But it is something that should be corrected and not allowed to continue. That is, the constant reference to being able to use less of his coffee and get a fine cup of coffee.

The only way to get a good cup of coffee is to use coffee. Any substitute for this is pure bunk. As a matter of fact, the preparation of coffee today is inferior to what it was in the prewar days, when such a statement could have had some basis for argument.

In those days, we had fine old-crop Sumatras and Venezuelas, beautiful old-crop Santos, to mention a few. But today most growths come in poorly prepared, and intentionally aged coffees are a thing of the past.

One of our best consumers of coffee used to be the kitchen sink. Let's try and cultivate her patronage once again.

### **producers and consumers benefit**

*(Continued from page 94)*

dustry, and the consumer, share in the benefits of an Exchange.

Before Exchanges existed, merchants, bearing great risks, had to count on large margins of profit to cover possible losses. Consequently, many commodities either left no adequate return to the producer, or were priced so high only the few could consume them. And while modern communication and transportation systems have reduced many former risks, the much higher margins in almost all commodities in which there is no trading on an Exchange, show how well an Exchange serves its industry.

Without an operating Coffee Exchange, costs and risks would rise, and the increased price thus necessitated to the ultimate user could only lead to a reduced consumption, to the detriment of the entire industry.

### **a status report on soluble coffee**

*(Continued from page 101)*

of instant coffee as do an increasing number of soda fountains offering coffee-flavored treats.

The number of coin-operated vending machines continues to expand, there being approximately 35,000 such units vending coffee alone. Improvements in the quality of powdered cream and better paper cups, promise more satisfaction in the future to those who drop a coin in the slot.



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ROASTERS, GRINDERS  
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**"Since 1879"**

**HUNTLEY MANUFACTURING CO.**  
BROCTON, N. Y.

## ★ A Coffee Convention "Fact Reference" Feature: Soluble Sales

# the instant coffee sales story

By RICHARD F. GOEBEL, Advertising Manager in Charge of Media  
The Nestlé Co., Inc.

Instant coffee is a product on the up beat. In its comparatively brief history it has risen from a grocer's specialty item to a supermarket staple.

It began to receive serious consideration immediately before World War II, when about one in 20 coffee drinkers used it. Today in the U. S. about one third of all coffee drunk is of the instant variety, and the market is constantly expanding.

The story of modern instant coffee properly starts with Nescafé introduced by Nestlé in 1939. Although we cannot be considered impartial observers, it is indisputable that Nescafé, even at its introduction, was the first instant whose flavor approximated that of the best brewed coffees. Today, with many technological improvements, Nescafé is the world's largest selling instant coffee. Its sales and advertising problems have varied through the years.

Moreover, we are now producing three more brands of instant coffee: Nestle's Instant Coffee, Decaf (97% caffeine free) and Ricory, a blend containing chicory, which is sold in certain parts of the South, where this type of coffee is preferred.

All of these must be advertised and sold not only in competition with regular ground coffees but with countless other brands of instants, including private brands of large and small chains.

When instant coffee was still a novelty before the war, its appeal was principally in its convenience. It could be used easily by anyone who wanted to brew just one cup of coffee, since few conventional coffee making devices can be used to prepare a single cup. It was also a boon to the hostess who wished to serve a dozen or more cups at once, since the average sized home coffee pot could not produce this quantity.

Consumers used instant coffee on such occasions in those days and relied on ground coffee for ordinary family needs. Since then, however, instant coffee has replaced ground coffee entirely in a good percentage of homes and this is due to the improvement in the product itself and (b) to aggressive promotion and advertising.

While instant coffee gained its first popularity before the last war the growth in general consumer acceptance was halted to a large extent during the war years, due to shortages and the prime necessity of meeting the requirements of the armed forces. Advertising and promotion of Nescafé and its competitors went into high gear in the middle forties and, gradually, instants pre-



empted a sizable portion of the market. And as the ranks of instant coffee drinkers grew, the makers of brands of regular ground coffee entered the instant field.

The ground coffee firms capitalized on their established reputations in selling instant coffee. This competition, strong as it was, benefited all the firms manufacturing instant coffee, since the cumulative effect of the advertising of all made the market bigger. In other words, competition had the desirable effect, which has often been manifested in so many fields, of creating a bigger share for everyone. Nescafé, for example, is sold in far greater volume today than a few years ago, when it had almost the entire instant coffee market to itself.

Almost all consumer products have certain selling problems of their own, and instant coffee is no exception. We find that we need to overcome two major misconceptions held by some portion of the public. One is that instant coffee contains some ingredient other than coffee, and the other is that, somehow, it is more expensive to use than ground coffee.

Dealing with the first problem, we emphasize on our label and in our advertising that Nescafé, Nestle's Instant Coffee and Decaf are all pure coffee and nothing else. As to the second question, we have pointed out from time to time that, rather than being more costly than ground coffee, instant actually provides more cups per dollar than ground. The economy varies with the fluctuation of the price of green coffee beans, but the instant coffee drinker has a substantial saving. When ground coffee prices were at their peak the savings were even greater.

### Why savings?

These savings for the consumer are possible because of mass production, manufacturing efficiency and because coffee, as brewed in an instant coffee plant, is accomplished more scientifically and with far greater skill than the consumer can brew ground coffee at home.

The instant coffee market varies geographically to a considerable extent. Just as people in different parts of the country differ as to accent, dress and local customs, so do their eating and drinking habits. Broadly, instants have been most rapidly accepted east of the Mississippi. Thus, the biggest markets and fiercest competition are in the thickly populated East, while the West still offers the great potential market.

To stimulate sales of Nescafé — and other Nestlé products — in certain areas in which we feel a greater sales volume is possible, we have recently initiated a traveling demonstration program which, I believe, has seldom if ever been tried before in the same way by a food manufacturer.

This is our Hospitality Caravan, a specially built kitchen trailer drawn by a matching cream colored station wagon.

preceded by advertising and publicity, the trailer, which has panels on each side that open to make counters, stops at stores in smaller communities where samples of hot or iced Nescafé are served. Using a loudspeaker system built into the trailer, the demonstrator explains the advantages of the product. The store owner, naturally, is pleased, because the trailer not only steps up his sales of Nescafé but attracts crowds to his store.

The close personal contact which the demonstrator has with the public creates interest in Nescafé and a number of new, permanent customers are enlisted at each stop. Some, we find, switch to Nescafé from other brands and others switch from ground coffee to Nescafé. This trailer project is a novel and flexible addition to our established demonstration program.

Mass selling of Nescafé, a nationally distributed product, is accomplished by intensive national advertising particularly in magazines and on television. Beginning October 1st, Nestlé's will sponsor the weekly Saturday night "Stage Show," starring the Dorsey Brothers' Orchestra and the June Taylor Dancers over the Columbia Broadcasting System. The broadcast comes right after dinner on a weekend night, when the public is in a relaxed, receptive mood to thinking about coffee.

To sell Nestlé's Instant Coffee, which is distributed regionally, we use newspapers, spot radio and TV and, for Decaf, spot TV and newspapers. While each of these instants is equal in quality to Nescafé, they have their own special appeal and their own special public. Nescafé is a hearty, robust blend that most Americans like best. Nestlé's Instant Coffee is preferred by those who like a

blander, milder cup of coffee, and Decaf, of course, is for those who insist on coffee without caffeine. Our advertising is specially planned for each of these groups, just as the blends themselves were especially prepared for them.

When Nescafé was first introduced, one of its chief appeals, as pointed out earlier, was the ease with which it enabled a hostess to serve coffee to a number of people at one time. The consumer simply placed a spoonful of Nescafé in each cup and filled it with boiling water. Today we are developing this party idea by advocating the use of glass coffee makers, which we supply at cost to the consumer for the preparation of any of our instant coffees. Instead of putting spoonfuls individually in cups, the host or hostess is advised to place the right amount of instant coffee all at once in the glass coffee maker, thereby making the coffee service even more convenient and attractive.

The opportunities and ideas for merchandising instant coffee are manifold. Just as the product itself is expanding, so are the means of merchandising and selling it.

#### Orgill joins PACB public relations staff

James Orgill has joined the public relations department of the Pan-American Coffee Bureau.

He will be in charge of radio, television and films.

Previously, Mr. Orgill served as director of radio-television-films for Community Chests of America, and as head of script and production at Station WGAR in Cleveland, Ohio and Station WFMJ, Youngstown, Ohio.

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★ A Coffee Convention "Fact Reference" Feature: Restaurant Market

# how can we sell more coffee in the institutional industry?

By PHILIP I. EISENMAYER, Chairman  
Hotel and Restaurant Committee  
National Coffee Association

The theme—"How can we sell more coffee in The United States?"—might well be called "The \$64-Million-Dollar Question." Because if anyone had a sure-fire answer to Editor Bernard Sach's editorial poser, it would be worth at least that much—before or after taxes!

As chairman of NCA's Hotel and Restaurant Committee I have taken the liberty of narrowing it down a little to read: "How can we sell more coffee in the institutional industry?" But it still covers an awful lot of territory, and I still don't pretend to have the payoff answer.

Nevertheless recent information indicates that there may be a greater need to look for the answer, or answers, in the institutional industry than in the home consumption market.

As has been widely publicized, the Pan-American Coffee Bureau survey, made in the winter of 1955, reports that coffee drinking in "public eating places" dropped from .32 cups per person daily in 1954 to .25 cups in 1955, for a 22% loss. Moreover, when this is compared to a reported 6% increase in coffee drinking in the home, an apparent need for action on the institutional front would seem to be indicated.

In this connection I should like to take time to point out that several factors should be taken into consideration before discussing what might be done to offset the reported decrease in the consumption of coffee in public eating places.

In the first place, it seems pertinent to mention that there has been no indication of a 22% decrease in coffee sales to the institutional trade.

In the second place, the 8,000 persons interviewed were apparently thinking in terms of regular commercial restaurants when they reported how many cups of coffee they drank outside the home. The survey did not find out whether coffee consumption had increased or decreased in the institutional industry's 300,000 food outlets which are in addition to the country's 200,000 regular restaurants and 16,000 hotel restaurants, and which buy an awful lot of coffee.

Then, of course, we should keep in mind the fact that according to the survey's own figures, coffee consumption at work, during 1955, held steady at .19 cups per person per



day—and that the industrial coffee-break market is definitely a part of the eating-away-from-home market.

Finally, I should like to point out that the overall institutional industry we are considering ran up the staggering total of \$12,200,000,000 in food sales during 1954, and according to government reports is running 2% to 3% ahead of last year for the first six months of 1955.

Now, although these statistics do not necessarily change the picture of coffee consumption outside the home, as reported by the PACB survey, they do throw more light on that picture.

Or to put it another way: they give us a picture less closely cropped, with a clearer view of some facts we hotel and restaurant suppliers are anxious to keep before the coffee industry as a whole.

For example, the PACB survey features a pie chart that shows "eating places" to be responsible for consumption of only 9.4% of the total amount of coffee consumed by the 8,000 persons interviewed. But if we regard "eating places" as all outside-the-home outlets, including factories, institution, Army and Navy establishments and many other categories, it is probable that the total consumed outside the home would be closer to the 20 or 25% so frequently quoted than the 9.4% in the chart. And such a percentage would also check with the estimate that approximately 25% of all foods and beverages are consumed outside the home.

This, of course, is the platform on which the Hotel and Restaurant Committee has been running for a number of years now. And having rebuilt it to our own satisfaction at least, we are less inclined to try to duck the survey's statement that in 1955, coffee consumption in regular commercial restaurants was less than in 1954.

The reasons for this apparent state of affairs are not to hard to guess. Increases in the price per cup of restaurant coffee would be one factor and a decline in "free" second cups another. But on a long-range basis neither of these factors is to be feared as much as the possibility that coffee consumption in 1955 may have fallen off a bit because restaurant coffee was less "drinkable" in 1955.

This possibility brings us directly to a survey of restaurant customers which was made by Nejelski & Co. for the Coffee Brewing Institute, with the advice and cooperation of an inter-industry committee made up of leaders from both the coffee and the restaurant industries. Although the results of this survey have already been published, it is pertinent to point out here that the most important conclusion arrived at was something the restaurant people had already accepted, namely, that "Good Coffee Is Good Business!"

As the Coffee Brewing Institute's Eugene Laugherey pointed out last spring, in his presentation of the survey's facts and figures to the National Restaurant Association, a previous 1948 survey of restaurant "operators" had disclosed that they themselves were unanimously agreed that "Good Coffee Is Good Business." However, not until the Coffee Brewing Institute survey did they have such startling proof of the extent to which their own customers are influenced by good or bad coffee.

To be specific, the survey proved that people were strongly attracted to restaurants because of good coffee; that they stayed loyal to restaurants because of good coffee, and that they stayed *away from* restaurants because of bad coffee.

When the survey got around to finding out what restaurant customers looked for in a "good" cup of coffee it developed that 65% looked for "flavor", 23% wanted "strength", 11% picked aroma, and 1% looked for color.

Since you can't have much coffee flavor without coffee strength, this adds up to the fact that close to 90% of the restaurant customers interviewed were looking for a good, full-bodied cup of coffee that wasn't stretched out of shape by the addition of too much water.

Here, of course, the Hotel and Restaurant Committee is on a familiar battleground. And since the publication of the Brewing Institute's survey we have been given a formidable new armory of statistical weapons with which to wage the battle against weak, watered or poorly brewed coffee.

Unfortunately, there just don't seem to be enough troops to do the job that has to be done, namely: convincing 216,000 restaurant operators and the operators of 300,000 other types of eating establishments that "Good Coffee Is Good Business"—every time and under every circumstance.

Gene Laugherey and his people at the Coffee Brewing Institute have done a grand job of packaging and presenting the survey's finding to those portions of the eating-out industry that can be reached by their manpower. The institutional coffee salesman has done and is doing a good day-in, day-out job of bringing the survey story to many more institutional operators. But it does seem that the coffee industry might seriously consider other ways and means of bringing this survey story to the institutional industry in some dramatic form that would induce positive action as well as passive acceptance.

Possibly the dramatization of specific, concrete "success" stories is an approach that should be tried. In any case, there is not doubt that *something* should be done to make certain that those 8,000 critters who said they drank *less* coffee in 1955, drink *more* in 1956!

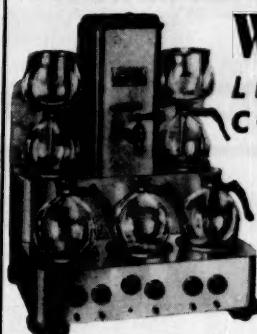
#### merchandising your instant

(Continued from page 107)

of premiums which are obtainable at low cost. In turn, the self-liquidating premium can be used most effectively by couponing. Let us remember these selling aids, because they are proven, effective and economical.

To sum up, let us say that instant coffee is here, it is accepted. It is no longer a novelty, but a necessity staple. It is profitable—it has quality. The prestige of your other products will be enhanced by marketing your own instant coffee, but despite all the consumer surveys and research organizations predicting 75% retail acceptance of instant coffee by 1960, we must advertise, promote and merchandise at point of sale.

Let us face it. We must sell!



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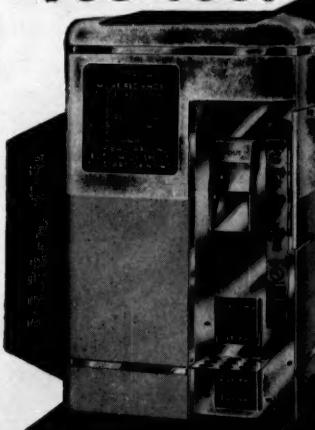
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## ★ A Coffee Convention "Fact Reference" Feature: Volume Brewing

# how to increase volume sales of coffee

By BRUCE S. BLICKMAN, Vice President  
S. Blickman, Inc.

Growing out of the impetus given to the sale of coffee by the well-known coffee break is a service industry which supplies coffee to offices and factories by the cup or gallon.

The concessionaires in this industry foresaw the problem presented to employers by the desire for a morning or afternoon cup of coffee. With the solving of this problem, the individual coffee maker, usually hidden in the desk or tool drawer, became obsolete.

To determine which type of bulk coffee brewing equipment would serve them best, many of the proprietors of these coffee service concerns surveyed the field of available equipment.

Initially they found the standard institutional type of brewing equipment. These urns varied in capacity from 20 to 100 gallons per unit. They were available in the single urn style, two piece and three piece battery type (Figure 1), and the self-contained combination type in 20 and 30 gallons capacity. These urns were usually fitted with motorized repouring pumps and were designed with floor mounting on steel or stainless steel legs.

A choice of brewing method was available—either by use of coffee bags or all stainless steel filters which eliminated the use of such bags.

In addition to this equipment, which was designed primarily for large scale coffee brewing, they found that modifications to kettles were available in capacities up to 150 gallons. These modifications of cooking equipment usually were fitted with bags and were generally available

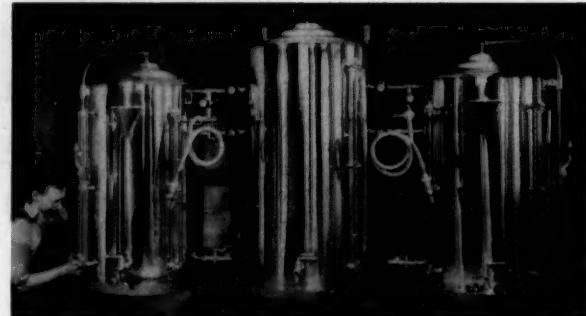


Figure 1. A three-piece all stainless steel institutional coffee urn battery fitted with special hose for filling coffee containers.

only for steam heat, as opposed to the urn equipment which was available for gas, steam or electric.

Concurrent with the increase in demand for concessionaire coffee service, came the latest development in coffee brewing equipment from the Quartermaster Corps Research and Development Laboratories.

During the second World War, the Quartermaster Corps found that coffee brewing procedures at Army post varied tremendously and that the final brew was unsatisfactory in many cases. In addition, it was found that the length of time required to make the brew and the limited types of equipment available required a larger quantity of coffee urns to brew the required amount of coffee within the time limits. Thus, the Quartermaster Corps set up criteria for a new design for coffee brewing equipment:

- a. Fast heating time.
- b. Controller extraction time.
- c. High sanitation.
- d. Safety devices for gas and electrically heated equipment.
- e. Simplified brewing procedures.
- f. Rugged design, able to take the use and abuse found in military kitchens.

These criteria were submitted to the National Coffee Association and to several manufacturers of coffee urns. Suggestions were requested for a design and after they were received, models in several sizes were built. These were subjected to exhaustive tests, and alterations were made, including revisions and later developments in the urns.

The final design was adopted in August, 1951, and was given the military specification number MIL-U-11307 (QMC). This specification called for four sizes of urns.

- a. A five-gallon combination urn with five gallons of available water in gas, steam or electric heat.

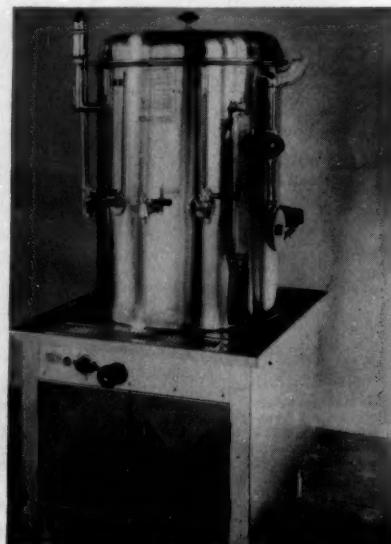


Figure 2. A special urn typical of 10 and 15 gallon sizes fitted to its own urn stand. Full operating and cleaning instructions are on the plate on the front of the urn. Illustrations courtesy S. Blickman, Inc.

b. A ten-gallon capacity coffee urn with two "D" shaped liners, each of five gallon capacity and ten gallons of available water. This was made in gas, steam or electric heat. (Figure 2).

c. A 15-gallon urn with two "D" shaped liners, each of seven-and-one-half gallon capacity, available in the same three heat types. (Figure 2).

d. A 40-gallon urn battery with two urns, each of 20-gallon capacity and one boiler of 40-gallon capacity. Available in steam heat only.

Each of the urn types was designed to fit onto its own stand in order to be a completely self-sufficient unit.

The urn stands were lower than the usual urn stand height, and the urns were made large enough in diameter so that the top of the urn was generally below normal eye level. This made the brewing of coffee and cleaning of the urn far easier than on existing types of coffee urns.

In addition, controls for the heat were brought forward to the front of the urn stand, thus eliminating hazards to the fingers and hands of the operators. The urn covers were generally hinged for convenience. The interiors of the urns were fitted with a syphon spray system, delivering the required quantity of boiling water in the recommended period of time.

A novel feature included in the urn was a metal leacher basket with a removable grid at the bottom. Into this leacher basket was fitted an urn bag of the required capacity.

The liners were highly polished on the interior and

were of the forward tangent draw-off type. Faucets were stainless steel to provide long service with a minimum of maintenance. The use of a large wing nut on each faucet permitted the faucet to be removed without tools for cleaning.

High capacity burners, steam coils or electric heating units were included in each of the urn types to allow cold water to be brought to temperature in a matter of minutes, and thus reduce the overall brewing cycle time. Gas burners were especially designed with special concentrator plates under the burners and insulated packets around the exterior of the urn to provide an unusually high efficiency in this type of urn.

This urn was the first to receive the stamp of approval of the American Gas Association. The low water cut-out device on the gas urns prevented the burner from lighting when water level in the urn either boiled down too low or was drawn off below the safety point.

The electric urns, as well, had this same type of low level control.

After the introduction of these urns, it was found that the inclusion of the high heat input design and the controlled brewing time permitted one urn to serve an endless line of soldiers. Comparing this with the normal large-capacity urn, a 15-gallon urn of the new design can perform the service of a regular 50-gallon urn in the same length of time.

It was not long before commercial firms commenced

(Continued on page 122)

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## ★ A Coffee Convention "Fact Reference" Feature: Brewing Equipment

To get better answers, ask the question this way . . .

# "why should the consumer buy more coffee?"

By JOHN ZITZ, Vice President, Sales  
Hill-Shaw Co., Chicago

Instead of asking "How can we sell more coffee?" let's get on the other side of the coffee cup and put ourselves in the position of a consumer. Then let's ask this question: "Why should I (or anyone) buy more coffee?"

Looking at the question from the viewpoint of the man or woman who pays those dimes for a cup of coffee in a restaurant, let's find (1) what restaurant patrons do like about the coffee they get; then (2) what they don't like about it; and (3) what we in the industry can do to give 'em what they want—a fresh, hot, flavorsome, invigorating drink.

*What's right with restaurant coffee:* Coffee is still the featured restaurant drink; coffee (especially when brewed or served in glass decanters) is on display, a never-ending invitation to drink up; coffee has only tea as a strong hot drink competitor; coffee is one of the few beverages that can be served to suit an individual's personal taste, because he adds his own cream and sugar.

*What's wrong with restaurant coffee:* First of all it's weak. That's something we equipment manufacturers must leave to the roaster for solution. If he is willing to sell a 12-ounce "pound" or a 2 ounce individual packet, we manufacturers must make it do. But the other "faults" can be cured IF the roaster is interested in seeing that his coffee is brewed and served to good advantage. What are those "faults"? (1) *Stale coffee*, left standing too long; (2) *lukewarm coffee* with no "zip" to it; (3) *bitter coffee* because of over-extraction (or because the urn bag is left to sag in the coffee); (4) *varying flavor*, some batches weak, some strong.

*Brewing equipment that helps sell more coffee:* The more automatic the coffee brewing equipment, the more it will help to sell coffee to the restaurant patron. Only fully automatic equipment assures full flavor control of the finished brew.

When equipment is manually operated or only partially automatic, the human element or carelessness or forgetfulness enters the picture. That's when coffee becomes too strong or too weak. Only by eliminating almost all of human controls do we get a *SALABLE* cup of coffee.

The degree of automation in coffee brewing equipment varies somewhat, depending on what the restaurant can budget for their brewing system. The larger restaurants have an owner who is more of a general manager and rarely

participates in the active workings of his establishment. Because he is farther removed from counter or kitchen work, he must rely on someone else. Because that "someone" doesn't have the same interest in the restaurant's operation, equipment must be installed that permits no errors.

As you go down the scale of restaurant size you find the owner taking over more of the direct labor functions, and because of this more direct control, he can afford to use equipment that's less automatic but that still has a system of controls that assures uniform, flavorsome, coffee.

So far there has been developed only one piece of fully automatic coffee brewing equipment. In operation this automatic is loaded with a five-pound bag of ground coffee (directions say that the grind be a "fine grind" in conformance with the specifications set forth by the Commodity Standards Division). Then each time the starting button is pressed, the machine measures out a charge of coffee; brews the coffee; shuts off the water when the serving decanter has been filled; then cleans itself of all grounds. All this takes just a three-minute cycle and can be repeated every three minutes with no waiting time. This automatic heats its own water, so it is a completely self-sufficient unit.

Because the unit has its set of controls built in, there is never any variation in the flavor of the finished drink. Whether the owner, or his experienced assistant, or even the greenest new employee does the brewing, *the COFFEE IS ALWAYS THE SAME*—the same flavor, the same temperature, and always freshly brewed.

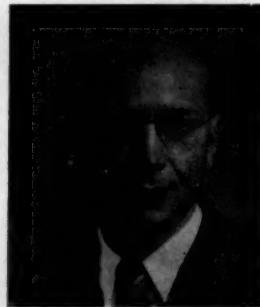
This coffee brewing system, then, takes the guesswork or chances for error out of brewing. The owner knows he will have no coffee complaints.

An unexpected advantage of this type of automatic equipment is the merchandising help it gives to coffee sales because of (1) its attractive design, and (2) the attention patrons give this unique method of brewing.

A further new development in automatic coffee brewing started on the West Coast and is spreading rapidly across the country.

This is a single unit automatic that plugs into a 110-volt electrical outlet. It's the first commercial automatic coffee maker that doesn't need a 220-volt outlet. This "plug-in" feature puts an automatic within reach of even the smallest restaurants which want automatic coffee making but wouldn't pay the \$150.00 necessary to install a 220-volt line, or couldn't afford the price of larger automatic equipment.

These two pieces of automatic coffee brewing equipment are the manufacturer's donation to increased coffee sales, because each unit has built in brewing controls that (1) match production to consumption; (2) brew coffee that's uniformly delicious; (3) brew coffee that's hot and that's



served hot; (4) extract the proper oils for coffee flavor, with no over-extraction.

Over the past year, only these two automatics have made an impression on the mass-feeding field. Other types of brewers developed little that was new, according to those roasters who checked the market at this year's Chicago Restaurant Show.

So, in conclusion, to sell more coffee, you have to make it easy to brew good coffee. And that means *AUTOMATIC* equipment. And since restaurant workers cannot be thoroughly schooled and trained in coffee brewing functions, it takes a machine to do the work economically, quickly, perfectly. There's only one answer—*AUTOMATIC COFFEE BREWING EQUIPMENT*.

#### **Thermalo coffee roasting**

(Continued from page 99)

gases and prevent any flow of exhaust back into the cylinder—even under the most rigorous weather conditions—without passing through the burner.

Uniformity of product is an important Thermalo achievement. The accompanying flow diagram shows the manner in which the heating medium is drawn through the coffee. This even dispersion of hot gasses throughout the mass, combined with the constant tumbling action of the cylinder, produces uniformity from bean to bean within a batch.

Simplicity of operation permits a high degree of uniformity from batch to batch. Finally, low-temperature roasting results in an unparalleled uniformity within each bean—not only in color from the center right out

to the surface but also in optimum development of flavor and aroma throughout the bean.

The result in terms of consistent grind and cup quality is unsurpassed. This has been proven by the virtually unanimous acceptance of Thermalo as the standard roaster in the United States. It is further substantiated by the complete satisfaction expressed by Thermalo users in 20 countries throughout the world.

#### **Other Applications**

Our remarks thus far have included specific reference to the Batch Thermalo Roaster. This machine is built in two sizes—900 and 1,500 lbs. per hour green weight. It is also of great interest to mention the Continuous Thermalo Roaster (including continuous cooler). Combination of the Thermalo principle with the obvious advantages of continuous operation provides a machine which is becoming increasingly popular with all producers. It is interesting to point out, parenthetically, that the continuous use of the Thermalo system allows further reduction of the temperature of the heating medium to as low as 650° F.

The Continuous Thermalos are built in three sizes—2,500, 4,500 and 9,000 lbs. per hour green weight.

The Thermalo principle has also been applied to roasting of cocoa beans, nuts and other products, with a great degree of success and acceptance.

Finally, Thermalo roasters—both batch and continuous—can be furnished with smoke elimination features, wherever local ordinances require. The same fine product is produced on the smokeless models, but with all smoke annoyances alleviated.

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★ A Coffee Convention "Fact Reference" Feature: Brewing Equipment

## how roasters and equipment makers can cooperate to increase coffee consumption

By E. J. ALEXANDER JR., National Sales Manager  
Commercial Products, Cory Corp.

Quite recently, the famous newspaper syndicate writer Hal Boyle said in his column, "The great American tragedy today is the average cup of coffee."

Through friendly cooperation, the nation's coffee roasters and processors and America's coffee brewing equipment manufacturers can turn this so-called tragedy into increased coffee sales and consumption in the United States. Without this increase, the growth pattern of your business and our business will remain quite static.

Long years of experience have taught us here at Cory that further improvements on present brewing methods will not necessarily mean better coffee. Today's basic brewing ideas are at least 100 years old. Hence, new developments in these methods will have to be revolutionary in nature before they can produce a finer cup of coffee.

One of the important keys to greater American coffee consumption is the virtual elimination of the human element in brewing coffee. This major step alone will do much to upgrade the quality of the average cup of coffee. Looking ahead, these changes perhaps will provide different methods of extracting the vital flavor bearing oils from the ground coffee beans. Maybe the use of gravity as the source of power to run the water through the coffee will be eliminated. Certainly, the new brewing equipment will have to use adjustable pressure methods capable of regulating the infusion time of the ground coffee and the hot water. This flexibility will compensate for the "hard water" problem which makes coffee brewing a difficult task in many areas of the nation. More than likely the water will be heated automatically to exactly the proper temperature before it's infused with the ground coffee beans.

These new developments will vastly improve the caliber of the cup of coffee served both in the homes and in the

restaurants, dining rooms, snack shops, institutions and cafeterias of the nation.

In the past, equipment manufacturers and roasters and processors have cooperated magnificently. To increase coffee consumption with this new foolproof equipment, the American public may need a different grind of coffee, a new blend of various coffees or a unique new type of package. Whatever is required, the equipment manufacturers know from experience that they can count on the support and cooperation of the people in your field.

For the consumer in his home, the new coffee brewer certainly will be an automatic one. It will be designed—as some are today, such as the Cory "Crown Jewel" Automatic Percolator—to allow the user to select the coffee strength they prefer. To compliment the ever-increasing accent on casual relaxed modern living, the new brewer will be styled so its operation is completely foolproof. What's more important, it will be very easy to clean and care for. Best of all, it will brew the long sought better cup of coffee—with a wonderfully exhilarating bouquet.

Of course, all of us realize that a finer cup of coffee is one important reason why people keep returning to a certain restaurant, dining room, snack shop or cafeteria. This accepted fact too frequently is overlooked in the hustle and bustle of everyday business.

Next time you go into a restaurant or any other eating place—take a quick look around you. The alert manager or operator has an eye catching orange juice dispenser which suggests you drink some of the juice. Elsewhere, you probably will see iced tea dispensers, milk dispensers and soft drink dispensers—all doing an excellent job of merchandising their products.

As one manufacturer of coffee brewing equipment,

(Continued on page 121)

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## ★ A Coffee Convention "Fact Reference" Feature: Railroads

# coffee traffic

By DAN LYONS, Foreign Freight Agent  
Illinois Central Railroad

How can we sell more coffee in the United States? The answer could be very simple. It might be: "Ship more coffee to this country of ours and I feel reasonably certain it would be consumed."

This must, however, be said with reservations.

A principal problem is to achieve a price that would bring this beverage back to a group which has heretofore enjoyed it, and which because of its price, has been diverted to other beverages.

There is need, also, to seek new consumers who would enjoy the refreshment of a cup of good coffee. These could consist of future citizens who at the present are in the going-to-school category.

Then, too, it is important to keep coffee men in the coffee industry. There have been some men who grew up in the industry who have made changes to other fields. These men should be encouraged to return to their first love. Young men who enter the coffee field should be given help and advice, with periodic sales meetings to help them overcome any obstacles they may encounter.

With the many roasting plants located at the numerous important cities served by the Illinois Central, our road has undertaken to give concerted attention to the movements of coffee—both green and roasted.

Since the entrance of the Illinois Central into the Port of New Orleans some 75 years ago, the prompt and efficient movement of green coffee has been a specialty with our company.

The strategic location of the great Port of New Orleans—the natural gateway for the movement of green coffee from Latin America and Africa to the Mississippi-Ohio-Missouri River Valleys and the Midwest—along with the equally strategic position of the Illinois Central, enables that port and our railroad to offer a transportation combination to the shippers of coffee not surpassed by any other line.

Coffee is an important item of traffic, as we have realized for many years. We have constantly kept in touch with any changes that would be necessary ratewise. Incidentally, our railroad, during all the fluctuation and higher prices during the past few years, did not increase its rates, and they still remain the same.

The writer of this article has enjoyed the distinction of being a past president of the Chicago Coffee Club, and has a host of friends within the industry here and in producing countries, and these are among the railroad's most important assets. It is not a strange request for us to be called upon

by the Chicago Association of Commerce and Industry and be told that a representative from one of the producing countries is seeking information which would be of value in securing outlets for coffee from his country, and we have assisted on various occasions in having brokers appointed to represent direct accounts.

As a result of the government getting out of the coffee roasting business for its military installations, and the fact that this is now being done by various roasters in the coffee industry, our railroad has acquired some new business. Our roasting-in-transit tariff has been most helpful to those roasters in our territory who have availed themselves of this privilege.

We recently began operating "piggyback" on the Illinois Central. This service at the moment operates between Chicago and Memphis. We have had many requests from the coffee trade here for such a service between New Orleans and Chicago. Probably after any kinks which may appear have been ironed out, expansion of the service between the latter two cities will be effected. This should be most helpful to those roasters who are not track-located.

As far as we can determine, the Illinois Central is the only railroad in the country which is a member of the National Coffee Association, and we are grateful for the invitation that was extended us.

As a small expression of appreciation for benefits received through the Association, we would like to offer to readers of this magazine the facilities of the Illinois Central's comprehensive film library. This library has many varied film subjects for showing to employees. Two of the subjects which we have been called upon for most are "Supervision" and "Managerial Problems." We would be pleased to tell you more about them. Interested readers may write direct to me.

### Coffee in Nigeria

Nigerian coffee has not been controlled by the marketing boards and has always been sold in the open market. Producer prices have reflected a rising world market. Nigeria's export figures show a steady postwar expansion. Although much of this has been due to the Cameroons' contribution, smallholders' production has probably gone up from about 100,000 pounds in 1949 to 250,000 pounds now, and there has been virtually no smuggling.

Although it is quite obvious that producer prices fixed at uncompetitive levels discouraged coffee growers in the British territories, it is less obvious to what extent higher prices, without other encouragement, stimulate smallholder production.

★ A Coffee Convention "Fact Reference" Feature: Brazil

## the frost — and Brazil's future crops

By JOSE LARIVOIR ESTEVEZ, President

Centro do Comercio de Cafe do Rio de Janeiro

The editor of COFFEE & TEA INDUSTRIES, formerly The Spice Mill, has invited me, as president of the Centro do Comercio de Cafe do Rio de Janeiro, for an article for the October issue, devoted to the convention of the National Coffee Association of the U. S. A.

I have chosen a theme which is dominating the minds of coffee interests at the moment. I want to recount here what I was in a position to verify in the north of the State of Paraná during the rapid visit that I made to the region hit by the frost that occurred during the night of July 31st. Then I will comment on the future Brazilian crop under the influence of this damage, and conclude on its influence on the production expected for the 1956/57 period.

The State of Paraná is our youngest producer of coffee among the States that cultivate this product, having begun its first plantings some 20 years ago. To such an extent has it developed this cultivation in the northern section of the State, with its center the city of Londrina, that today this zone is a veritable "ocean of coffee trees".

### Parana's plantings

Those who, like myself, flew over this region for many hours, were surprised and enchanted with the quantity of trees magnificently laid out, cared for as if they were gardens, and from which there will be harvested this year some 5,000,000 bags of excellent coffee. From the number of new plantings that will begin giving production next year, crops of 6,000,000 bags are to be expected in the near future.

Part of these plantations, called the "old" zone, situated between Londrina and the State of São Paulo, were less hit by the frost, it being calculated that 40% of the trees were damaged. However, this region contributes but one-quarter of the total production in Paraná.

The zone situated to the south, east and west of Londrina, where large quantities of new plantings have been made, contributes three-quarters of the total Paraná crop. This area was heavily punished by the frosts, it being estimated that 95% of the trees were burned, without any possibility of yield next year. Likewise, their recuperation for producing in the crop of 1957/58 does not appear to be optimistic, since large sections of these plantings had already been effected by the frost of 1953, and the branches still were undergoing a period of convalescence when they were damaged anew.

Under these circumstances, in the opinion of those best able to judge, and which opinion I find just, the next Paraná crop, in 1956/57, will be reduced to less than 1,000,000 bags.

Comparing the quantity originally foreseen for this crop with the actual amount to be harvested, we can conclude that there will be a decline of over 4,000,000 bags.

The remaining coffee producing States—São Paulo, Minas Gerais, Espírito Santo, Rio de Janeiro, Bahia, etc.—have a more or less stabilized output, with little variation, so that it is possible to count, within the conditions at present prevailing, on a total Brazilian crop, in 1956/1957, of 13,000,000 bags. Naturally, this estimate is subject to the August and September flowering and to climatic conditions following the flowering, as all this can have a decisive influence in altering the crop.

But if everything continues to run smoothly, we can conclude that, by adding the surplus of the current crop to what will be harvested next year, we will reach a statistical equilibrium in Brazil; or there will exist, during the 1956/57 period, a quantity just sufficient to meet export necessities.

It can be affirmed, therefore, that the frost that hit the Paraná plantations had a decisive influence on the future crop, being a factor, if not for higher values, at least as a stabilizer.

Although representing grievous harm to the economy of Paraná, it worked out as a contribution to the desired stabilization of prices, that which most appeals to coffee importers, roasters and the general trade in the U. S. A.

It must be recognized that stability is a guarantee for normal business transactions, assuring all those who do business in this great product a solid basis for effecting purchases without great risks of shifts which always result in losses to one of the parties.

Thus, paradoxically, a phenomenon of nature which provoked such trouble and harm to the Paraná farmer helps dispel the specter of overproduction, which has always had such a bad influence on the international coffee market.

I hope, therefore, our good customers in the U. S. A. will fully realize the significance of this phenomenon, and jointly with Brazilians—who are in truth their best friends on this continent, as shown on many occasions will cooperate by accepting our prices, which are perfectly feasible in your market.

### Increase in commerce

If acting in this manner we are able to augment, as far as possible, our coffee exports to the U. S. A., we will be in a position to buy large quantities of those products of your industries which we so lack, such as machinery of all types, tractors, automobiles, trucks, electrical equipment and freezing units, as well as gasoline and its sub-products, so necessary for the development and increase of our agricultural production.

Supported by sincere understanding between the two countries, we can count on a reciprocal increase of commerce, which would contribute to the strengthening of our economic position and further bind relations between the two sister nations.

Brazilian coffee dealers believe in the good faith and intentions of those active in coffee imports in the U. S. A.

## roasters and equipment makers

(Continued from page 118)

Corp Corp. is a firm believer in merchandising better coffee. In fact, Cory pioneered the first successful commercial completely automatic coffee brewer that is a self-merchandiser. This famous unit—the Model C-500—push-button automatic coffee brewing system lets the consumer see the coffee being brewed in sparkling, taste-free glass decanters. These same decanters continue to merchandise the coffee when it's served.

This merchandising makes an important contribution to the profit aspect of any food preparation operation. After all, today's public eating places certainly are in business to make a profit.

One factor which vitally affects any profit picture is current high labor costs. Because of this fact, operators and managers cannot afford to have a special person just to make coffee. In addition, they can ill afford the high cost of making coffee by antiquated, old-fashioned non-automatic methods which are very time consuming. Last but not least, profit-minded business men in that field certainly want no part of the waste caused by human error.

For a number of years Cory, with its automatic push-button commercial coffee brewing equipment, has made a substantial contribution to the elimination of these costly factors which take such a big bite out of profits. Presently, Cory is producing equipment that heats water faster and more accurately than ever before, so most all

of the vital flavor bearing oils are quickly extracted from the ground coffee beans. The automatic aspects of this equipment means that just about anyone except a very small child can operate it efficiently. Best of all—coffee measurement, water measurement, water temperature and infusion time are all controlled automatically to eliminate any human error. As a result of our experience with this equipment, we are convinced that the quality of the coffee is upgraded substantially.

Industry reports indicate that other manufacturers also are marketing other types of automatic brewing equipment. These certainly will help to improve the quality of the average cup of coffee in the eating places across the nation. Coffee will boast a better bouquet and aroma more flavor and body—and consistent day in and day out top quality.

The net result should please all of us because people will brew more coffee in their homes . . . and drink more coffee wherever they eat away from home.

### Coffee controllers elected

J. Lowell Johnson, controller, J. A. Folger & Co., has been elected vice president of the Kansas City Control of the Controllers Institute of America.

At the annual meeting of the San Francisco Control of the Controllers Institute of America Stanley B. Murray, controller, M. J. B. Company, was chosen vice president.

Joseph A. Braun, comptroller, A. Schilling & Co., Division of McCormick & Co., Inc., was elected treasurer.



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## ★ A Coffee Convention "Fact Reference" Feature: Colombia

# the three fundamentals

By MANUEL MEJIA, General Manager  
National Federation of Coffee Growers of Colombia

A year has elapsed since I last had occasion to greet the members of the National Coffee Association as they assembled for their annual convention. It has been an event-filled year for the industry as a whole. Without taking your time to discuss these events as they happened, it can be said they induced alternate waves of pessimism and optimism to sweep over the industry in the past 12 months.

Some coffee men have been moved to condemn the business as a hopeless proposition while others, the more realistic and practical ones, fore-saw the end of crisis and the return of an era of stability which promised a profitable future.

Personally, as my friends in the U. S. industry well know, I have always been an enthusiastic proponent of optimism. This attitude of mine is hardly idyllic, for the Colombian Federation does not view the past 12 months as the most harmonious period in its 27 years of activity.

My persistent faith in the future of our great industry emanates from a basic, long-view evaluation of the industry's three eternal components, rather than a review of an immediate marketing situation or current trends in coffee commerce. Trends and existing situations certainly affect the future of our industry, but our emphasis as far-seeing businessmen should always be on ultimate determinants rather than transient events. With this view in mind, let us examine these three components of our industry, with the hope that a brief analysis will provide an explanation for my feeling of optimism.

*First, the consumer:* The ever-increasing millions of people around the world who drink coffee are intensely loyal to the beverage. They consider coffee to be a vital necessity because no other drink provides them with as much enjoyment and delight. The overwhelming mass of coffee drinkers consider coffee irreplaceable, without substitute. As long as good-quality, fairly-priced coffee is available in quantity, the multitudinous legions of coffee drinkers will gladly continue their consumption.

*Second, the processor:* Your industry, so ably represented by the National Coffee Association, is a forceful and dynamic enterprise. Your scientists and researchers continually strive to develop new and better processing methods, more efficient manufacturing and marketing techniques. As these innovations are integrated into your industry, there is continual expansion and your thousands of industrious salesmen write bigger and bigger orders. These collective efforts have made coffee the king of beverages among the 165,000,000 people of the United States.



*Third, the producers:* The past year has given considerable evidence that the millions of the world's coffee farmers and their governments are firmly resolved to have a secure and stable industry. It is obvious from their actions that they intend to put their house in order for the present as well as for the future. This is imperative for the orderliness of the entire industry. Growers are aware that the industry as a whole is only as strong as its weakest component. The growers and their governments have already taken the initial steps to make certain that their end of the coffee business will remain strong, healthy and forceful. If a situation arises which demands even firmer growers' steps, I am confident that these steps will be taken.

This analysis of our mutual business gives me, as I said before, a feeling of confidence and security. There are no signs that the collective effort which brought coffee to its important position in world commerce is breaking up. On the other hand, much evidence exists to prove that the world's coffee men are determined to make our industry stronger and more prosperous in the years to come. This invigorated and enthused industry will establish new and wider horizons. The results of this greater effort will rebound to the satisfaction of everyone within the industry.

### volume sales of coffee

(Continued from page 115)

testing this new urn design with a view toward replacing large and bulky coffee urn brewing equipment. The leacher and bag design used in the new urn was replaced by an all stainless steel filter, using a permanent stainless steel filtering medium, and the urn was modified to permit it to be placed on commercial cafeteria counters and urn stands. This, of course, did not impair the gallons-per-minute production rate of the urns, and it reduced the initial expense by eliminating the urn stand, and the recurring expense by eliminating the purchasing of urn bags.

In addition, it permitted operators to improve their extraction rate and thus lower their unit cost of a cup or gallon of finished brew, at the same time maintaining or improving the flavor of the finished brew. This naturally placed operators using the new type of equipment in a far more competitive position, and thus permitted them to increase their market.

An interesting feature available to the institutional coffee brewing field is the addition of a specially designed hose to be fitted to the coffee delivery tube on institutional urns. (See Figure 1). The hose is Tygon lined, armored with stainless steel and equipped with a grip-operated valve. When an urn is fitted with this item of equipment,

(Continued on page 130)

## coffee trends in Colombia

By RALPH P. BALZAC, Balzac Bros. & Co., Inc.

Colombia's general economy, revolving around "brown gold," has for the past year marked a pattern not unlike the topography of the country, alternating between high peaks and deep valleys. Between June, 1954, and June, 1955, the price of coffee dropped 25¢ a pound. Then it sank lower, but later had remarkable recovery up to the beginning of September. The previous price and heavy exports created a big import boom. The decline, and with it smaller bag shipments, imposed a major readjustment. That, of necessity, meant less buying of imported merchandise.

At present both the price of coffee and the economy of the country appear to be on a more tenable plateau. The monthly quantity being shipped out is hovering at around half a million bags, which should be very satisfactory if it can be kept up for the balance of the calendar year.

The value of the Colombian peso in dollar terms has followed the coffee price and the quantity exported. Whereas for some time the "free" peso had held at around 3 to \$1.00, and at the height of the coffee boom it practically reached the official rate of 2½ to 1, in the later reversal it went to over 4 to 1. If, as it now appears quite possible, Colombia can cope with the triple problems of domestic inflation, excess imports and governmental deficits, the situation should soon begin to mark a substantial improvement.

June seems to have been the turning point. In that month, for the first time during this calendar year, the value of coffee exports exceeded that of imports by a good margin; namely, \$52,000,000 exports against \$31,000,000 imports. The following months are also recording a favorable balance. In order to keep up the half million monthly shipments, it would seem that the Federation will have to make coffee available from its stocks to the exporters, as the crops have apparently been turning out smaller than anticipated and are now past their peaks, with no new heavy entries looked for until from December on.

We have seen no publication indicating what stocks the Federation may own at present. It is known that they did buy strongly in the period of the perpendicular decline. However, it can also be surmised that they had practically disposed of their backlog during the previous boom. Judging by the exports of 1953-54, and from figures of the Colombian Exporters' Association, it may be conjectured that Colombia started the coffee year, September 30th, 1954, with the smallest amount of coffee in the country in the past decade, and with the Federation's stocks on that date at a ten-year low.

These are the figures given by the Exporters' Association, representing coffee in bonded warehouses and at seaports:

September 30th	Bags
1946	1,023,303
1947	1,605,126
1948	1,178,699
1949	1,143,097
1950	1,321,499
1951	1,275,949
1952	2,236,144
1953	1,658,585

And about half this last figure on September 30th, 1954, according to the Association's estimate at the time.

The coming Colombian crops have given promise of abundance, but it is impossible to make more than very general estimates, because weather conditions are very changeable in the various sections of production, and more so because coffee in Colombia is grown in any number of little family *fincas*.

Approximate statistics published in 1954 gave in round figures a total of 1,043,660,000 trees in actual production, with about 137,000,000 more in the formative stage, which presumably would begin to yield in from one to four years. According to a statistical study made by the Federation, there were last year some 397,083 coffee properties in the country, distributed as follows:

"Fincas" of less than 5,000 trees	86.75%
From 5,000 to 20,000 trees	11.33%
From 20,000 to 60,000 trees	1.49%
From 60,000 to 100,000 trees	.22%
Over 100,000 trees	21%

When there is any question as to who benefits from favorable coffee prices, there is no argument as far as Colombia is concerned. They permeate the whole country. Perhaps there is no other product in the world that is as democratically cultivated as coffee is in Colombia. Although coffee represents about 20% of the total national product, because of the wide distribution of its income, it plays a most prominent part in the general internal economy of the country.

The amount of monthly coffee shipments is even more directly felt as a barometer of the medium of exchange. Imports keep pace with coffee exports. When the former exceed the latter in value, the finances of the country are thrown out of kilter. In Colombia's international commerce, coffee accounts for 90% of foreign exchange. Colombia's merchandise imports are well over 50% from the United States.

★ A Coffee Convention "Fact Reference" Feature: El Salvador

## coffee price stabilization

By AGUSTIN FERREIRO, President  
Asociacion Cafetalera de El Salvador

Although up to now the coffee market has not yet experienced the same reaction to the recent frost as when the frost occurred in July, 1953, it would not be at all strange to see the real consequences in the near future, when collection of the new Brazilian coffee crop (1956/1957) comes closer and definite figures regarding FEDECAME area production for 1955/1956 have been obtained.

In a tentative way, estimates have been made on the actual Brazilian crop losses on account of the recent frost, and on the shortage expected on FEDECAME area due to delayed and damaged blossoms, amounting altogether to around 4,500,000 bags of 70 kilos. This is, of course, a considerable figure which will not reach consumption markets.



Furthermore if we take into consideration the steady recovery of the North American market, as well as the significant increase obtained by coffee consumption in European markets, it can be easily foreseen that considerable improvements could be experienced on the present coffee prices, although not as high as those achieved in the 1953/1954 crop.

In order to avoid as much as possible those sudden fluctuations which can very easily be misunderstood and are really under no human control, on the occasion of the First World Coffee Congress, held at Curitiba, Brazil, in January, 1954, I suggested an agreement aimed at stabilization of prices at equitable levels for both sides. I particularly pointed out on such occasion the unprecedented, appropriate and favorable conditions of the market for reaching such an ideal understanding.

Perhaps if my suggestion had received a readier acceptance, the coffee market would have not suffered such sudden and most unfavorable oscillations as have been observed during the last coffee year.

Circumstances previously mentioned have placed us again on a most privileged position for a successful developing of the stabilization plan.

(Continued on page 132)

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# coffee — the bond between the continents

By MIGUEL ANGEL CORDERA, JR., President  
National Coffee Commission of Mexico

Coffee is far more than a commodity or a beverage which adds to the enjoyment of life. Coffee is a great stabilizing agent in the economy of both the American continents.

I mention these continents particularly because the international trade, which is based on coffee, has far more importance in the Western Hemisphere than in any other region of the world. In 1954, the United States imported 56.5% of all the coffee traded internationally, while Latin America produced 77.3% of all the world's crops.

In 1954 coffee represented an average 36% of the total exports of Latin America's 16 producing countries. In several of these countries, it assumed transcendent importance; coffee accounted for 88% of El Salvador's exports, 84% of Colombia's, 77% of Guatemala's, while it amounted to 61% in Brazil. In Mexico, coffee represented but 16.7% of exports, as our export-economy, fortunately, is more diversified.

Latin America's income from coffee sales in 1954 reached \$1,989,983,000. This giant figure represented 63% of sales to Latin America by the United States, which totaled over 3.34 billion dollars. In return, Latin America vies for first place with Europe as a purchaser of United States products.

In 1954, Mexico shipped 1,004,134 bags of 60 kilos each, or 90.3% of its coffee exports to the United States. This figure will, undoubtedly, be greater in 1955, for during the first six months of the year 966,988 bags, or 89.3% of all coffee exports, have already been sent to United States markets.

These figures highlight the necessity of maintaining and increasing a two-way trade between the continents, with coffee as one of its most dependable foundations. This role of coffee should provoke us to think not of the security of an individual country, but of the well being of the continent as a whole.

The potential Latin American market for the production of highly industrialized countries is enormous. The population of Latin America grows at the rate of 2.66% per year, while United States population increases at 1.51% per year, and Western Europe increases only 0.78%.

However, before Latin America is able to buy industrial products, she must be able to sell her own production. Coffee is one of the principal products which can be utilized to maintain and increase this vital two-way trade. For this reason, Mexico is determined to enlarge its coffee production and improve the quality of the crop as well.

When the market potential of Latin America is discussed, doubts are often raised as to whether such commercial optimism is really justified. I would like to cite a personal experience which, I think, proves our claim for the future.

About 15 years ago I bought and began to develop an agricultural property. I was ten miles from the nearest railroad station, and 40 miles from the nearest road. The land lay in the tropical zone, and was washed by heavy seasonal rains. Nearby began the mountain range where coffee was grown.

There were only three trucks in the entire area, and most goods were transported on mule-back. There was no electricity, no radios, refrigerators or cooking stoves. The farmhands spent their money on cheap liquor, and it was a frequent sight to see them sleeping off hangovers on the muddy trails which served as roads. They believed in witchcraft, and the crime rate was high. They had no ambition to change their desperate way of life, for they knew no other sort of existence.

Within a short time I constructed a small house equipped with modern conveniences, and the government built a road which lead to an experimental farm, which was located nearby. As soon as the local people became acquainted with the modern tools and implements in my house, they began to desire similar things for themselves.

This caused a sharp change in their attitude towards life. After they had tasted ice-cold beer and soft drinks, they began to neglect the local liquor. Soon several refrigerators arrived, and the people started to save their money so as to be able to purchase radios. It was not long before a picture show and a bus line found it profitable to operate in that area. On payday, the men no longer made a beeline for the bars, but instead took their wives and children to the picture show.

Today the community is modernizing rapidly. There are over 300 trucks in the area instead of three. Fifteen generating plants are working, as are scores of tractors and automobiles. Some of the people are actually cooking on gas stoves. But what is most striking—99% of all these manufactured goods come from the United States!

If we project this isolated example over all Latin America, it is easy to see the reality of a potential market for the industrialized coffee-drinking countries.

To give substance to Mexico's continuing optimism about coffee, it might be well to provide a brief resume of our coffee history. Cultivation began in the beginning of the 19th Century, and by 1909 production attained over 500,000 bags. But the harvests decreased soon after, and it was not until 1928 that production began to rise again. Coffee exports for the years 1933-39 averaged 616,166 bags per year, but decreased to an average 516,929 bags for the years 1940-48.

There followed a recognition of the need to raise coffee production, and the Comisión Nacional del Café was or-



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ganized, 1949. It was charged with the responsibility of developing, modernizing and organizing Mexico's coffee industry, and meritorious results were obvious by 1953, when exportation reached 1,267,192 bags.

The states of Veracruz and Chiapas are the leading coffee producing areas, each state accounting for some 36% of production. Oaxaca and Puebla each produce about 9%, while the remainder of the crop comes from the states of Guerrero, Hidalgo, San Luis Potosi, Nayarit, Jalisco, Colima and Michoacan.

The success of the Comisión Nacional results, in great part, from an emphasis on applying the innovations of science and new agricultural technology to coffee culture. Two experimental centers are maintained: one at Jalapa, in Veracruz, and the other at Rosario Izapa, in Chiapas. Research seeking to improve strains and varieties of coffee trees continues unabated at these technical centers. Different concepts of cultivation are studied and compared on side-by-side plots. Tree records are kept while high yielding varieties are patiently crossbred and developed.

**Detailed study**

Detailed study of soil analysis, pest eradication, and methods of soil conservation are constantly carried forward in the research center's laboratories.

In all the important coffee growing regions, the Comisión maintains resident technicians, who guide the farmers in the development of new plantations and the care of those already producing. To aid this program, the resident technicians maintain seedbeds of high yielding, disease-resistant coffee plants in cooperation with the local farmers, who are likewise supplied with fertilizers, insecticides and technical help.

These local programs enable the farmers to grow healthy, high yielding shrubs at a low production cost. From the experts they also learn how to properly plan a coffee farm, what fertilizers to use, the quantity of shade needed, weed control and many other necessary bits of information.

The resident technicians visit the older farms and urge the farmer to set aside a new plot of land so that modern agricultural methods can be immediately compared with traditional ones. As the new plot develops, the farmer learns how to fight insect plagues, how to replace sickly shrubs, and learns about the regulation of shading. A comprehensive record of expenses is kept so that the farmer can easily see the justification of his investment in technical improvement.

**Correct processing**

The coffee growers are urged to attend meetings where experts give lectures on up-to-date coffee culture methods. Books, pamphlets, drawings and manuals are circulated to provide a record of the advances in techniques. Tours are arranged to enable groups of farmers to see at first-hand what progress and improvement is being made on other farmer's lands.

As correct processing of coffee beans is of the utmost importance, if the farmer is to receive the best potential price for his product, the comisión has established a Department to oversee this area of Mexico's coffee industry. They have the responsibility of promoting proper washing, processing and grading of Mexico's future coffee crops.

At the experimental station at Jalapa, a modern pro-  
(Continued on page 132)

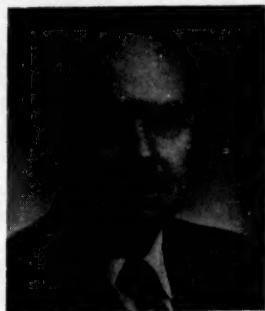
★ A Coffee Convention "Fact Reference" Feature: Costa Rica

## coffee prices — and Costa Rica's economy

By RUDOLFO LARA, Oficina del Cafe  
San Jose  
Costa Rica

I have no ambition to say new things. In coffee matters almost all has been said. Nevertheless, I believe it is important to mention again today the transcendency that coffee prices have on my country's economy—transcendency that has determined the support of our government to whatever course may procure a certain stabilization of prices in the world market.

On several occasions, such as the Fedecame meetings in the Dominican Republic and Cuba (1951 and 1953 respectively), at the First World Coffee Congress (Curitiba, Brazil), and in articles published in the national and foreign press, especially the one published in this same magazine in November, 1954, I have pointed out the steps I consider should be taken into account to arrive at stabilization of the international coffee market.



I have been, therefore, very pleased to learn of the decision taken lately by some of the coffee producing countries to achieve this end. It disquiets me, however, to see that due to the losses suffered in frost-bitten Brazil, the two most important producing coffee countries seem to have ceased their efforts to arrive, right now, at an agreement in this important matter.

Even before the frost, one could foresee that stabilization of prices by means of crop retention would be untenable, unless some of the producing countries first strengthened their economy and the value of their currency, and other countries had the necessary funds to finance their surplus. If these are the real facts, it would seem then advisable to find other means to serve this purpose, such as:

1. A better crop distribution in the consuming markets.
2. Limiting production by avoiding new plantations, without overlooking the intensification of those actually existing.
3. Endeavoring a rise in production at the same rate, or nearly equal, as consumption increases. This, of course, would require the compiling of statistics on cultivated areas, numbers of trees, and average production.
4. Cutting the cost of production by mechanized farming, to sell more and cheaper, in order to promote larger consumption and the opening of new markets.

(Continued on page 157)

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★ A Coffee Convention "Fact Reference" Feature: Honduras

## Honduras might have to import coffee, if...

By DAVID A. KATTAN

Honduras will have to *import* coffee within the next few years—if the price difference between Brazil and Honduras coffee does not narrow appreciably and if the government does not take the necessary measures immediately to forestall such a situation.

No one in Honduras, or in the coffee trade of this country will agree with such a prediction. However, the fact remains that under the present circumstances, with Honduras coffees selling at about 6¢ to 16¢ per pound under good Parana and Santos coffees, more and more roasters are turning to the better Honduras coffees to mix in their blends and thus lower their costs.

It seems rather absurd for some medium and small roasters to insist on using high grade Santos and Colombian coffees and then turn right around and mix "grassy" Robustas to cut their costs. Thus they defeat their purpose by "polluting" the fancy cup quality of their product. As more roasters come to that realization, many will switch to the milder Honduras coffees to bring down the cost of their blends. This, in turn, will mean a greater demand for Honduras coffees.

If the new soluble coffee venture in El Salvador is successful, a very large percentage of the Honduras crop will move across the border into El Salvador. Regardless of the fact that El Salvador is a large exporter of coffee, the lower priced Honduras coffees will most probably be used to produce an instant beverage for the average low-income Central American wage earner, besides being used in regular roasted coffee for home consumption in El Salvador.

Furthermore, there is a strong possibility that an instant coffee plant may soon be set up in Honduras by Honduran and foreign coffee interests, in cooperation with the government there.

The writer of this article is presently conducting a private survey on the feasibility of such a venture. The necessary capital is "definitely" available for the proposed project. Furthermore, a marketing system for the finished product is already being set up in this country, as well as in others.

Presently, the government of Honduras has no intention of greatly increasing production, for it views with alarm the possibility of greater production with no new markets being opened up, especially in view of the planned "export quotas" as proposed by the International Coffee Bureau.

The present regime has decided to concentrate on improving the quality of the coffee now being produced and not further the expansion plans of many small independent farmers. However, this attempt to limit production will

not be successful, as well financed interests from El Salvador are carrying out their own expansion plans in Honduras.

As more U.S. and European coffee roasters learn to use the mild, lower priced Honduras coffees, and as the soluble plant goes into production in El Salvador, the demand for Honduras coffees will continue to grow, even if the proposed "instant" project for Honduras does not go through.

Thus, the government of Honduras will be forced to choose between limiting exports to take care of domestic needs or permitting its entire crop to be sold abroad. If the latter course is taken, other coffees will have to be imported to take care of home needs.

This situation may develop even if immediate steps are taken to increase production in Honduras, for new plantings would not bear fruit for at least three or four years. In the meantime, the government of Honduras may be forced to restrict exports or to *import* coffees from other countries. Many in Honduras will probably laugh at this statement. However, the fact remains that Honduras faces a definite "shortage" of coffee in the very near future.

A new roasting plant in New Orleans—owned by the largest dealer in Honduras coffees—is using Honduras coffees exclusively in its own blends. Its owners are now planning to build a much larger plant and to expand the output of Honduras roasted coffees.

Recently, one Southeastern roaster decided to use Honduras coffees exclusively in one of its leading blends. This firm will increase its usage of Honduras coffees by more than ten thousand bags per year. Many other roasters are doing the same throughout the country, for they have found out that most Honduras coffees are mild, sweet, and free of Rioy or fermented flavor, and yet are reasonably priced. Others have discovered—to their utter surprise—that a good Honduras coffee makes an excellent restaurant beverage, even when used straight, with no other coffee added to the blend, for most Honduras coffees do not have the harsh attributes of so many other growths in the same price range.

One very disturbing element clouding the Honduras coffee picture is the increasing tendency on the part of some minor government officials in Honduras to veer towards too much control of the coffee industry. Some are even advocating that the government become the sole buyer and seller of coffee in the country and prohibit intermediaries—including regular exporters—from handling coffee in any manner whatsoever. Fortunately for the industry, level-headed thinking on the part of higher government authorities has forestalled such drastic and unrealistic action, which would certainly destroy all the gains made by the Honduras coffee industry in recent years, to say nothing of the damage such action would create in the "investment climate" of the nation at a time when the country's economic development is going on at a very fast pace.

(Continued on page 160)



★ A Coffee Convention "Fact Reference" Feature: Nicaragua

## coffee perspectives in Nicaragua

By CRISANTO BRICENO, President  
Sociedad Cooperativa Anonima  
de Cafeteros de Nicaragua

Coffee constitutes a vital part of the economic life of my country. It represents 42% of our total exports.

Nicaraguan coffee growers watch closely the index of prices upward or downward in the world market. They affect our economy deeply. They are felt in the well-being of every family in the country.

These are the reasons for our concern with contingencies resulting from the supply and demand situation. It explains our interest in good and bad news about coffee.

Bad news includes any fact or natural or artificial event that alters the balance that should exist between production and consumption.

Hence reports about the monetary systems in Brazil, devaluation of the cruzeiro, changes in the political picture in any of the coffee giants. Brazil or Colombia—these can change our usual calmness into a tense watch for repercussions on the market.

In the past two decades, frosts in Brazil have played an important part in such market developments, avoiding to a certain extent a collapse in the prices of our product.

While it is true that an event favorable to high price stability arouses optimism among coffee growers, such a phenomenon, as with any other fact in life, should also be considered from its negative aspects. We must remember that an immoderate increase will cause a reduction in consumption in the importing countries.

Confirmation of this fact was dramatically manifested in the United States, according to available statistics. Per capita consumption in this country, the major market, declined four pounds. We consider this figure would be disastrous if continued for a long time.

These considerations justify the ambition of many coffee producers for stabilization of their product, that is, for a reasonable price which will neither oppress the producer with too low a return nor be so high as to reduce consumption.

This problem is of concern to all factors in coffee, in cultivation and trading, in selling and buying, particularly since coffee is the most important source of dollars for many countries in Latin America.

Anything that affects the dollar flow of Latin America immediately affects the economy of North America. The dollar we get from selling coffee serves to increase the income of the United States itself.



What is the answer in an economic phenomenon so intimately linked to producers and consumers? In my opinion, there is no other alternative than to create an organization able to put an end, or at least to control, undue effects of excessive or scarce production.

An organization of this sort would make possible that reasonable price which is so desirable. It would avoid those depression cycles to which coffee producers have been subjected so many times, with its many consequent complications. It would avoid any undue shifts in exchange, and would therefore help the well-being of everyone.

In the case of Nicaragua, we do not covet a high price detrimental to expanding consumption. But it makes sense that the fruit of the efforts of our countrymen should be rewarded with a buying capacity able to increase, or at least maintain, the standard of living achieved by this country in the past few years.

This standard of living means more enjoyment of the products in daily use in all those countries where free work is well paid and where private enterprise prevails in a system of Christian culture.

It is only fair that the hard task of cultivating coffee also offer a reward to the peon who knows the hardships of the open field and who has to perform his work under the burning sun or in torrential rains. This humble man has also participated in the relatively good price of our coffee, with an improvement in wages which otherwise scarcely covers his most elemental necessities.

### Accumulated human energy

The delicious coffee served in homes and restaurants represents a very large amount of accumulated human energy.

Talking about coffee, the president of one of our small republics made a bright statement when he said a cup of coffee was equal in quantity to the human perspiration left in the furrows of the plantations cultivated with patient dedication by the peoples of our America.

If considerations of social and economic nature have a place in discussions of the ideas of order and justice which should prevail between our countries, it should not be forgotten that coffee holds a conspicuous place in the economy of the entire continent, as the most important source of dollars to meet our requirements.

Here is a problem that should not be neglected. Any activity, if considered strictly on the basis of greater profit, without taking into account the general welfare of our countries, can shake the economic stability which, in our opinion, represents the greatest support to our democratic systems.

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### volume sales of coffee

(Continued from page 122)

coffee containers ranging from pitcher size to ten-gallon size may be filled rapidly, in many cases in quantity, at a far faster rate than was possible with the normally supplied coffee faucet.

One concessionaire brings his five-gallon insulated coffee containers to the urn on a cart or pallet, and fills the group individually, without removing them from the rack, by use of the hose. The labor-saving in this operation alone more than paid for the installation of the hose.

#### Recent installation

A recent installation, using the modified design of the military urn, at a large club in Houston, Texas, required 2,000 cups per hour for waiter service. This problem was solved by manifolding the coffee faucets from four urns, using dairy-type valves, to the service area at one side of the dining room. To do this, it was necessary to run the piping through the wall from the kitchen to the dining area. Coffee is maintained at proper temperature in this waiters' service area by the use of infra-red heating elements located above the pipe and faucets. In addition to this set-up, a dining room located on the floor beneath the coffee preparation area is served by means of a special delivery tube running from the coffee urns to a service urn located on the floor beneath. An intercom system permits the operator on the lower floor to advise the specialist in charge of coffee preparation when additional coffee is required, and special valves control its flow. The entire piping system is made of stainless alloy and is so arranged that it may be broken down into component parts for ease of cleaning. Coffee is served immediately after it is prepared and no coffee remains in the delivery tube for more than two minutes.

Utilizing this entire design of special urns and piping systems, a large quantity of coffee is served to a most discriminating clientele.

It is simple to be misled by the development of new equipment into specifying it where the older design of standard coffee brewing equipment is required. Let us not forget the tried and true designs of institutional coffee-making equipment which have served our industry for so long.

#### Selecting equipment

Care and thought must be given to the selection of any piece of equipment to determine whether it will do the job in a simple and economical manner. For this reason, it is recommended that the manufacturers of coffee brewing equipment be contacted to assist in the design and selection of any large volume piece of coffee brewing equipment. Their years of experience have indicated which designs are practical in certain applications, and their advice is invaluable. In most cases, catalogues and specifications are available, together with dimensions and piping connections for all items of their manufacture.

This information can be an invaluable aid in assisting your customers to select the proper piece of equipment, one which will give a continuing return to them with a minimum of upkeep and at the same time, will serve to increase the sales of coffee.

## ★ A Coffee Convention "Fact Reference" Feature: Africa

# coffee production in Uganda

By C. C. SPENCER, Chairman  
Uganda Coffee Industry Board  
Kampala

In the last 20 years, Uganda, which is still almost entirely an agricultural country, has witnessed a considerable growth in its coffee production.

In 1935 it was primarily a cotton producing country, with lint exports averaging some 350,000 bales of 400 lbs. net, while coffee exports totalled a mere 6,000 long tons of clean coffee. Today, the level of cotton exports is approximately the same, whereas the exports of coffee for the year ending October 30th, 1955, are expected to total some 70,000 long tons.

The rate of increase in coffee production was slow during the first ten years, and it was not until 1946 that the crop reached 30,000 tons. Since then the post war coffee boom has more than doubled the acreage under production, until the coffee industry has now become second only in importance to the cotton industry.

The vast bulk of the coffee production, as with cotton, is in the hands of a large number of small African peasant farmers, farming small acreages of cotton, Robusta coffee and food crops. Estate production by non-natives is relatively small and contributes only about 5,000 to 7,000 tons per annum to the gross total of all coffees, including both Arabica and Robusta.

Some 4,500 to 6,000 tons of Arabica coffees are produced on the slopes of Mount Elgon in the east of Uganda by members of an African Co-operative Union, while the main part of the balance of the total production comes in the form of Robusta coffee from the southern part of Uganda, in proximity to the shores of Lake Victoria.

While the production of Arabica from Mount Elgon, and of both Arabica and Robusta from non-native estates, may expand slightly if prices do not decline very seriously, it is the peasant production of Robusta coffees from the south of the country which will determine the level of future exports. In the year 1953/54, this latter production amounted to some 23,000 tons only, but in 1954/55 the yield is expected to exceed 55,000 tons.

This marked increase in the Robusta crop is mainly attributable to a poor season in 1953/54 and an exceptionally good season in 1954/55, but new trees coming into production also swelled the total. The wide and scattered nature of the small peasant producers of Robusta coffee make it extremely difficult to form any estimate of the acreage already in production and the new will, weather apart, expand steadily during the next five years. But in the light of such information as is available, it seems likely that the production of Robusta coffees will, weather apart, expand steadily during the next five years until an average crop of some 70,000 tons has been reached.

Since 1943 the African producer has been guaranteed a fixed price for his coffee throughout each buying season.

During the war years and those immediately following, a substantial fund of £15,500,000 was built up from accrued profits of controlled marketing, and this is now used by the Uganda Coffee Industry Board to underwrite the fixed price which is still guaranteed to African producers throughout each buying season. It is also used to cushion the grower against sudden declines in world market prices.

In the current financial year, it is estimated that £4,500,000 will be expended from the fund to support the prices which have been guaranteed to the producers in the face of falling world prices.

The protection thus afforded to the grower has undoubtedly played some part in encouraging the increased production to which reference has been made above.

The necessity to reduce prices, to ensure the retention of the major part of the Fund for use when world prices fall still further, has led to some misunderstanding in the minds of African farmers and may tend to check the rate of new planting, even though current guaranteed prices to producers are well above world prices and above their present costs of production.

With an established production of coffee at a level which is now of major importance to the general economy of the country as a whole, attention somewhat naturally has been directed to the all-important question of improving the quality of exports.

With this end in view, the Agriculture Department has embarked upon the establishment of a Robusta research center; and the Uganda Coffee Industry Board, which is administratively responsible for the handling of African grown coffees from the processing factories to export, for its part has been concentrating on effecting improvements, by means of price incentives, in the processing by the privately owned curing works.

Some measure of success is already claimed from innovations introduced in the current season, and further changes are already planned for introduction next November.

The treasury, too, has not been idle, and the coffee export tax was recently varied to provide an added incentive to non-native estate producers to aim at a higher level of quality production.

Much can be achieved in the improvement of quality by these various means, but the fundamental problem will remain of persuading the African farmer that improved production and preparation are in his long-term interests, and that the production of high quality coffee is very largely in his hands alone.

A period of low coffee prices will probably do more to bring this lesson home to the African farmer than the past ten years of intensive teaching and propaganda against a background of high prices in a sellers' market.

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### coffee-bond between the Continents

(Continued from page 126)

cessing plant is being installed to give coffee growers practical instruction in these new processing techniques. It is hoped that this will encourage the building of similar plants on the farms. Instruction is also given in the handbag of different types of processing machinery, while the Comisión helps in placing small and economical processing installations throughout the growing areas.

In Mexico the arable land has been sub-divided into relatively small-sized plots, and a large percentage of the coffee crop comes from small growers. When coffee sells at fair prices, a great transformation takes place in the producing areas. The straw-roofed huts with dirt floors are replaced by sanitary houses with hard floors, corrugated iron roofing and brick walls. The farmers and their children dress better, and eat better.

Radios, refrigerators and trucks are bought by the farmers. Crime and indolence are replaced by attendance at picture shows and healthy entertainment. Education improves as does medical care. In short, fair prices for coffee means progress in our rural growing areas.

By encouraging and promoting the utilization of improved technical and scientific aids on the coffee farms, Mexico has increased its coffee production. The farmer receives a larger income, and is able to pay his workers a better wage. This improves the standard of living for everyone in the coffee growing areas. This is good for the farmers, for Mexico, and for all the Americas.

### Gold! . . . Yellow, Green and Brown

(Continued from page 35)

nothing that any wide-awake coffee-man doesn't already know.

I could tell you about the companies that operate in our area, and throw bouquets to the outstanding personalities of today and yesteryear who have played a part in focusing the coffee spotlight on this western section of the United States.

I could shout "Amen" to the most recent prediction that by 1965 the combined population of Washington, Oregon, and California will have increased 44% over 1953, and that California alone will top New York in number of inhabitants and become the largest state and consumer market in the nation . . . (what a place to sell coffee!).

But I won't take time for all that. It's enough for me to say that all the good things you've heard about our great Pacific Coast area are true, and I sincerely hope that all members of the National Coffee Association and their families who come to San Francisco to attend this Convention will have the opportunity to experience many of the delights we have to offer while you are guests among us.

### coffee price stabilization

(Continued from page 124)

As preliminary steps have already been taken on the organization of the International Coffee Bureau, whose main objective is precisely the stabilization of coffee prices, let us all sincerely hope this new opportunity will not be wasted.

★ A Coffee Convention "Fact Reference" Feature: India

## more output for home and export

By K. SRINIVASAN, I.A.S., Chairman  
Coffee Board  
Bangalore, India

According to the legend prevailing in this country, coffee was first introduced in India early in the 17th Century by Bababudan Sahib, a Mohammedan Fakir, who brought with him seven coffee seeds, on his return from Mecca in Arabia, where he had been on a pilgrimage. He planted these seeds on the virgin soil of Chandragiri Hills in North Mysore, which subsequently were named after him as "Bababudan Hills." Some of the finest coffees in India are grown here.

Unlike tea, coffee is essentially a product of South India, where it is grown on the Western Ghats and its subsidiary ranges between 2,000 and 6,000 feet above the sea level. The higher altitude, i.e., above 3,000 feet, is taken up by Coffea Arabica and the lower elevation by Coffea Robusta.

Coffee was cultivated on a plantation scale somewhere in 1800 A.D., by the East India Co., which was attracted by its commercial possibility. The first experimental station was opened at Tellicherry, in Malabar, on the West Coast of India. Till 1840 A.D., the estates grew slowly and in a halting fashion, but thereafter took a rapid course, and by 1872 A.D. production touched 25,000 tons. It was a mere six chests in 1800.

From the beginning of the 19th Century, progress in the expansion of the acreage under coffee was very much impeded by the widespread havoc caused by Hemeleia Vastatrix, a leaf disease, and the fungoid infestation known as "Kolerooga." The world depression of coffee prices in the decade 1930-40 affected the industry very seriously, restricting acreage and production further.

It was at this critical period, i.e., 1935, that the government of India passed the Coffee Cess Act and established the Indian Coffee Cess Committee and provided it with necessary funds for promoting sales and increasing consumption of Indian Coffee in India and abroad, and for undertaking agricultural and technological research.

The outbreak of hostilities in Europe in 1939 very seriously jeopardized the position of the Indian coffee industry, which till then depended on the foreign export market to consume its annual surplus of 8,000 to 10,000 tons, out of the then average production of 18,000 tons.

The Indian Coffee Market Expansion Board, the forerunner of the present Coffee Board, was constituted in December, 1940, with a view to helping the planters to

pool all the surplus coffee and market it to the best advantage of the planters on a cooperative basis. The creation of the surplus pool and the regulated marketing of coffee had a salutary effect in stabilizing the industry and the internal prices, with the result that the coffee price, which was as low as Rs.27-28 per cwt. in 1938-39, slowly began to rise from year to year, and has passed the mark of Rs.200/- per cwt. in the last three years. Coffee fetched the highest price in 1952, Rs.260/- per cwt., for Plantation "A" Coffee.

Coffee acreage which stood at 185,152 acres in 1939, rose to 246,300 acres as on date. The production also gradually increased from about 18,000 tons in 1939-40 and touched the peak in the 1953-54 season, producing 29,410 tons, made up of 22,630 tons of Robusta, the maximum production on record. During that year, exports also touched the peak of 9,613 tons.

During 1954-55, production amounted to 25,100 tons, made up of 16,300 tons of Arabica and 8,800 tons of Robusta. The estimated crop for 1955-56 amounts to slightly less than 27,000 tons.

The comparatively higher yield per acre and lower cost of production of Robusta have given a fillip for the rapid increase of acreage under this variety, as against the comparatively low yield per acre of Arabica, which is more sensitive to disease and costlier to produce. The trends at present are, nevertheless, for an increase in acreage under Arabica.

There are two distinct methods of preparing the coffee for the market. In the "wet method" the ripe cherry is depulped, washed, dried, peeled and graded. Coffee prepared according to this method goes by the name of Plantation or Parchment coffee, which is distinctly superior in appearance and flavor to that of the other type, known as Cherry, which is prepared by the 'dry process,' with the fruits dried in the sun and hulled.

Many Indian coffees produce a fine liquor of outstanding quality with good acidity and body.

With a view to increasing the acreage under coffee, the government of India has appointed a special officer to survey and assess the additional area available for cultivation of coffee, and the report is being drawn up.

The following are the main functions of the Coffee Board: (1) Registration of all coffee estates; (2) pooling

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the entire production of coffee; (3) controlling internal and external sales; (4) regulating the marketing on a cooperative basis; (5) licensing of coffee curing establishments; (6) propaganda for popularizing coffee in India and abroad; (7) agricultural and technological research on coffee; and (8) giving of grants and aid to small growers.

Indian Coffee, though less than 1% of world's production, was one of the major items of export in the pre-war period, the main importers of Indian coffee being the United Kingdom and the European continent.

With the contraction of the export market during the war period, the Board was faced with the problem of finding a steady home market for the surplus. A vigorous propaganda drive was organized, as a result of which home consumption—which stood at about 10,000 tons in 1939—rose to about 20,000 tons at present.

The Board maintains 44 Coffee Propaganda Units throughout the length and breadth of the country for demonstrating the excellence of well-prepared Indian coffee in the cup. Each Coffee House is run as a model restaurant where coffee is the only beverage, served in different ways, such as hot, iced, cold cream coffee, hot cream coffee, jelly coffee, etc.

**Coffee houses**

The Coffee Houses are also intended to demonstrate to the public the art of roasting and grinding and the correct method of brewing coffee, using pure coffee powder. With a view to consuming the increased Robusta production within the country, the Coffee Houses are now popularizing a blend of 75% Arabica Parchment and 25% Robusta Parchment.

The Indian Coffee Market Expansion Board, in London, was constituted in 1936 by the High Commissioner for India in London, for popularizing Indian Coffee in the United Kingdom with funds placed at his disposal by the Board in India.

With restrictions on imports of quality coffee in England year by year, this Board in London has been wound up now, and the High Commissioner is now carrying on such propaganda as may be necessary, with the help of an advisory board, to keep the London market in touch with the Indian Coffee.

The Board maintains a Coffee Experimental Station at Balehonnur, in Mysore State, and another at Chettahalli, in Coorg State, to evolve disease-resisting and high-yielding strains of coffee, and for research on manuring, soil treatment and other matters. The results achieved by these stations are regularly passed on to the planters through the liaison officers.

The Board is also financing a scheme on the technology of coffee, undertaken by the Central Food Technological Research Institute, Mysore.

The encouraging results achieved by the Indian Coffee Board in stabilizing the coffee industry made the planters and the government realize the need for placing the Board on a permanent basis, and this was done in 1947.

In December, 1954, the government of India amended the Coffee Market Expansion Act, with a view to assuming better control over the coffee industry, and also changed the constitution of the Board to enable the government to appoint an official chairman instead of a non-official

(Continued on page 136)

★ A Coffee Convention "Fact Reference" Feature: Philippines

# coffee in the Philippines

By DR. WILBERT A. HEYMAN, President  
Heyman Process Corp.  
Brooklyn, N. Y.

## Second of Two Parts

*Dr. Heyman, a consultant on instant coffee, has been in the Philippines installing a plant which, he indicates, has such topnotch equipment it should make "the finest-flavored soluble coffee the world has ever seen." The plant, set up for Commonwealth Foods, Inc., Manila, should be in operation shortly.*

*In the Philippines, Dr. Heyman explored the coffee situation—and came up with observations which point up what may be the beginning of a new trend in production.*

The area in which we found the "one man agricultural station" devoted to coffee was at an elevation of some 2,250 feet above sea level. We were on a mountain rim which was a part of the rim of a vast volcano some ten miles or more wide and 30 miles in circumference.

We could see with the aid of our powerful field glasses the wake of a tiny outboard motor boat cutting the waters of the lake below. The scene was one of the most beautiful the writer has ever seen. The still waters of the lake reflected the beautiful outline of the many-hued clouds drifting lazily above. The water assumed varied hues, from deep blue to shimmering white. In the midst of the lake was an island, tiny by comparison with the surrounding sides of the volcano, but this island was the almost perfect cone of an extinct volcano which made contact with the waters of the lake at an angle of about 45 degrees.

Although this cone was an extinct volcano, near it was a younger volcano that had erupted as late as 45 years ago. The older cone was covered with grass while the more recent one was bare and somewhat reddish. All around the lake were gently sloping farm lands dotted with rice paddies and citrus groves reaching to the very rim of the surrounding mountains.

This spot is famous throughout the Philippines for its rare beauty, and it was this which attracted Oben B. Sollee to settle there.

Mr. Sollee's experiments on coffee are of great importance to Philippine coffee economy, for he is growing strains of Arabica coffee which are resistant to disease. His young trees are entirely free of fungus growth or spots. He offers these trees for sale at a very modest cost. He took us to see some of the other trees nearby which he had expected would be heavily infested with fungus spots, but on reaching them he was very much surprised and somewhat disappointed to find that because of the very dry weather the fungus growth was absent.

Among the very important scientific work done by Mr. Sollee has been the grafting of one, and sometimes two, different varieties of Arabica Coffee on the same root stock.

He selects for his grafting a sturdy three-inch trunk, usually of Excelsior Arabica, on which he grafts a young tree which has proven to be resistant to disease. He selects his graft stock from a flavorful type of coffee which is more suitable for soluble coffee. He splits the host tree down the center, about two feet above the ground, and inserts the properly prepared graft into the split. He wraps this with wax and a moisture-proof tape.

We saw one tree which had both an Arabica Excelsior and a Batangas-type coffee grafted onto one root stock. Mr. Sollee explained that the grafted tree bears berries much sooner than the other trees, and he showed us a tree only three years old which was laden with green berries. It usually requires five to six years growth before an ordinary coffee tree bears any sizable amount of berries.

One of the interesting sights of the experimental coffee plantation was a modern hulling mill operated by a Diesel engine which removes the parchment from the ripe berries. When the berries are ripe, they are red and usually round. Within the skin of this "cherry" there is a sweet mucilaginous substance which must be removed before the coffee is ready for the market. The usual method employed is to allow the sugars to ferment until this sweet substance is disintegrated and is removed by washing. More recently, Dr. William R. Johnston of Standard Brands developed an organism which hastens the fermentation. Still more recently two American scientists, M. A. Jones and E. de L Davies, have developed a process of utilizing wood ash and lime to disintegrate the pulpy mass so that it can be washed off, thus reducing the time for preparing the coffee for market from many days and weeks to a few hours.

The mill which Mr. Sollee uses is in the basement of a small concrete building which serves both as a small public restaurant and a look-out point where we enjoyed the magnificent view of the lake and the vast hills and valleys be-



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yond. The writer took many "stereoscopic" pictures of this scenery. Just below the window was a coffee tree with ripe berries on it, while on the kitchen stove the cook was roasting a very fresh new crop of coffee which he later ground and served to us. No coffee on Front street has a more delicious aroma and flavor than the coffee which this cook roasted and prepared. Incidentally, the coffee was roasted in a frying skillet!

Lake Taal was once part of the China Sea but a seismic upheaval closed it off from the sea in the years past, so that now the lake is about eight feet above the level of the Sea and is of fresh water except, as Mr. Sollee explained, at the five hundred feet depth, where the heavier salt water can be found. On one side of the nine kilometer strip of land was the calm surface of the lake, while on the other shore were the white capped breakers of the China Sea.

During lunch at the restaurant, which is operated by the Manila Hotel, Mr. Sollee explained how he had traveled over the world in search of scientific information which would enable him to conduct the experiments on the growing of coffee in the Philippines. He visited the Agricultural Experiment Station at Beltsville, Maryland, operated by the United States Department of Agriculture. He traveled to some of the coffee plantations in the tropical countries and he visited other scientific laboratories in England, France and Holland.

In his searches for disease-resistant coffee plants he obtained seeds from the famous Batangas regions, where coffee trees more than 50 years old are still bearing fruit, showing that they had resisted the ravages of disease where other trees had been infected and died many years ago.

Mr. Sollee is doing his share to help revive the coffee industry of the Philippines by making his coffee seedlings available to other planters throughout the country. Mr. Sollee is also helping promote the organization of the Philippine Coffee Growers Association, so they may seek additional governmental assistance in the redevelopment of the coffee industry to the extent that it once enjoyed, when all the coffee required in this land was grown here, and much of the finest quality was exported for the royal families of Spain.

We enjoyed our visit to this dangerous but beautiful country and we learned much about the art of planting coffee trees. We were sorry to bid farewell to Mr. Sollee, but above all we hated to leave the protection from the Huks which he provided, for we knew as long as we were with him we would be far safer than alone on the ride back to Manila. However, we are glad to say we arrived without mishap back to that war battered city and to the complete safety which it provides.

### more output

(Continued from page 134)

elected chairman. With effect from August 1st, 1955, the name of the Board has been changed from "Indian Coffee Board" to "Coffee Board," and the government of India has appointed a whole-time official chairman to look after and direct all the activities of the Board, with headquarters at Bangalore.

From the same date, the cess levied under the Act was also raised from Rs.1/- to Rs.2.80 per cwt., to provide more funds for wider activities. In addition, there is a general Excise Duty of Rs.21/- per cwt., on coffee which goes to the Central Exchequer.

## Europe's complicated coffee picture

By JACQUES LOUIS-DELAMARE, Le Havre  
France

The picture of European consumption of coffee depends upon so many factors that it is rather difficult to give an idea of its general trends.

Everybody knows that since the war more than half of the European population is under the control of so-called "democratic regimes." Consumption of coffee is probably one of the last problems they will study. For this reason, a good part of the potential European coffee drinkers escape any international influence of commercial, financial and advertising factors.

Even in so-called Occidental countries of Europe, there are still some markets which remain out from the land of free trade, and freedom is the condition of any normal improvement in the consumption of coffee.

This impermeability may be due either to the lack of foreign currencies (for instance, Spain and Greece) or to the exclusive consumption of coffee from some overseas territories (Portugal).

Even in countries where overseas production is not an absolute exclusive, the factor of coffee production in the Colonies has a decided influence on consumption. This is the case in such countries as France and England.

If we take all the above countries from the general figures for Europe, we can say that the consuming countries which enjoy freedom in their commercial activities are only a minority.

One of the effects of this situation is that one of the prime factors in European consumption is an increasing proportion of consumption of African Robustas.

In 1947 total European imports reached almost 6,350,000 bags, in which the proportion of Robustas was 20%, due to the fact that France was consuming 900,000 bags of Robustas. That is to say, apart from France the consumption of Robustas in Europe was, at that time, less than 10%.

In 1954, European consumption reached 10,368,000 bags; imports of Robustas were over 3,500,000 bags, and if we take out the totals of France, we must admit that consumption of Robustas in Europe has passed to a proportion of 20%, that is to say, more than double 1947.

While in 1947 practically the only importers of Robustas were France, Belgium and Great Britain; in 1954 all European countries have, one after the other, been invaded by the small round bean.

Will this proportion of Robustas be increasing within few next years? We must point out that the probable

increase in African production, as well as rather low price policy and the scarcity of "hard" currencies, will lead to progress in the commercialisation of Robustas in most European countries.

Does this mean the trend will exclude consumption of other growths? Certainly not! We believe that some other producers will profit from the situation.

If we get a glance at the proportion of Central and South American coffees in European consumption, we can see that their increase is quite unexpected.

While all European countries have been trying to improve their relations with Brazil which appears to be the largest consuming market in South America for European goods, we must admit that, by an abnormality of post-war economic history, exports of Brazilian coffees to Europe have not had the benefit of this policy.

While in 1947 Brazil was providing Europe more or less 70%, Brazilian exporters are now selling less than 50% of European consumption, while other South and Central American countries have increased their proportion from less than 9% in 1947 to more than 16%. This was an increase of almost 1,200,000 bags last year.

Is this trend only the result of the high price policy in Brazil? It may be true in part, but on the other hand, if European housekeepers buy more low-grade coffees and force the roasters to turn to Robustas, another part of European population remains friendly to a good cup of coffee and a blend including a good proportion of high-class coffees.

As one can see, the coffee picture in Europe is as complicated as the paintings of Mr. Picasso and as difficult to understand.

Economic and political factors cross one another. France, for instance, is subject in coffee imports to the lack of foreign currencies, to the obligation of "protecting" its African production, and to a regime of "bureaucracy" which sometimes makes one wonder what exactly the word democracy means.

What is true for France can also be applied to most European countries. We could say, after a French Minister who replied to Louis Philippe a century ago: "Make me good politics and I will make you good finances" . . . "Make me good politics and I will make you good coffee."

### Postwar expansion in West African coffee

It is really only since the war that West African coffees have assumed any importance at all in world markets. Before the war production was small and the coffees scarcely known.

The region's newly won place in the coffee world is due principally to expansion in French and Portuguese West Africa and the Belgian Congo. British West Africa's record has been very disappointing.

★ A Coffee Convention "Fact Reference" Feature: France

## coffee developments in France

By A. J. ARIOUX, President

Fédération Nationale du Commerce des Cafés Verts

At the beginning of this year, an important turn took place in the trend of the coffee market, following the sharp decrease of prices registered on the international market in the second half of 1954.

Since the end of the war, French importers and roasters have painfully striven and tried and recovered the freedom of their activity.

Some successes marked those long years: the end of coffee rationing (January, 1950); the dissolution of the national controlling office for import and distribution of coffee; opening of imports of coffee from French overseas territories; the progressive easing of imports from Brazil; endangered and always under control, the freedom to set selling prices (September, 1954); and above all, the reopening of the futures market in Le Havre, on November 16th, 1954.

Coffee circles in France were contemplating the return of complete trade freedom, with the end of the last restrictions at least on imports from Brazil and with larger allowances for Central America. On the other hand, consumption was increasing, at the rate of 3% a year.

Suddenly we were faced with the worst crisis since the war, with coffee production in French Union territories



endangered by the sharp setback in prices on the world market. When many among us were still thinking of an hypothetical free trade, there were voices from African territories asking with insistence for a nationalized trade, on the model of the wheat trade in France since 1936. It would be completely and expensively controlled by a state official, a substitute for the free trade.

We have already been obliged to put up with the re-institution of the custom duty on the coffee coming from foreign countries—this had been suspended in 1951—first at 10%, then at the maximum level of 20% ad valorem. Restrictions on imports of low Brazilians have been strengthened and Robusta from non-French territories will be reserved for museums.

But these are minor problems, since we have to find some compromise between the protection and guarantee policy strongly asked for by the African growers and our own desire for liberty.

The main task, for importers and roasters, is now to accentuate the trend towards a better quality.

First of all, a better quality on the plantation. High prices and the consequences of years of short supply for consuming countries have induced many African growers to neglect the production of high, or simply good quality, coffees, prices of which were not sufficiently far from coffees grading 6 or 7. Moreover, French African and Madagascar production could find an easy outlet into France and Algeria, where the consumption was growing

(Continued on page 160)

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★ A Coffee Convention "Fact Reference" Feature: United Kingdom

## coffee trends in the U. K.

By G. H. VICK, President  
Coffee Buyers' Association  
London, England

Every year brings its promise and its problems, and where the United Kingdom coffee trade is concerned, this applies no less to 1955 than to any other year in our long history of trading.

1955 marked the return to freedom of buying on world markets, after many years of bulk purchase by the government and a system of coffee allocations. Though this system had worked well, and proved of great advantage from the price point of view, it meant nevertheless that home trade distributors could handle only a limited choice of coffees and were in grave danger of losing touch with current affairs in the coffee markets of the world. In 1952, the trade was granted facilities for certain restricted purchases, but 1955 saw the end of these restrictions and a return to the practise of prewar days, including the licensed import of dollar coffees.

The trend in 1955 has therefore been a good one, in the direction of greater variety and improved quality. Though our basic requirements are still met by East African and other Commonwealth coffees, and by ever useful Belgian Congos and Brazilians, it has been a refreshing experience for home trade buyers once again to investigate the Central American market in a search for specialty coffees (in the prewar tradition) at a price to attract the United Kingdom consumer.

Another aspect of our newly-gained freedom is the revival of London as an international market. Mincing Lane auctions are once again a regular feature. Though they have not yet achieved the vital interest of prewar days, the auctions are attracting continental buyers in increasing numbers and this, of course, is a welcome development for London merchants.

As for consumer trends, the least we can say is that trade is steady. There is always a reliable demand for quality coffees but this is comparatively limited. The

average blend at 7s. Od. (just under \$1.00) per pound is not considered inexpensive by the average consumer. The trade's great problem is to maintain the quality of this average blend with coffees at the right price. There can be no let-up from the most careful and selective buying, and this fact must necessarily limit our freedom of choice.

It is true to say at the moment, however, that general public interest in coffee has seldom been greater. A good deal of this is attributable to a revival of the "Coffee House" or "Coffee Bar". These establishments, now appearing in large numbers, are achieving remarkable success in catering to the average person of good taste, who has sought for years for something midway between the formal and expensive restaurant and the much-tarnished and tawdry snack-bar. The new establishments pride themselves on their coffee and on their interior decoration, which is in most cases of striking contemporary design, with the accent on comfort. They have earned an abundance of favorable comment in the national press, and as a result "coffee" is currently a topic of great vitality.

In April this year a new and independent association—the Coffee Publicity Association—was formed by a representative group of coffee men, including one producer, with the object of taking over and expanding the publicity work hitherto carried on by the Coffee Buyers' Association, (which of course continued to represent only the larger home trade distributors).

The new body is inviting active participation by literally everyone who has a stake in the United Kingdom market. Already the great majority of home trade distributors, as well as importers and brokers, are members. The Kenya Coffee Board, the Uganda Coffee Industry Board, Bugishu producers, and Belgian Congo Robusta producers, are also members, with seats on the governing body.

(Continued on page 157)

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★ A Coffee Convention Feature

# Sweden's coffee imports are growing slowly

By LARS HILL-LINDQUIST, President  
Sveriges Kafferosteriers Förening  
Stockholm, Sweden

Imports of coffee into Sweden show a gradual increase. Total imports during the first six months of 1954 were 23,000 tons; during second half, 25,000 tons, and a figure somewhat above 25,000 tons in the first half of this year.

Coffee from Brazil, during the same periods, expressed as a percentage of total imports, were 69.8%, 64.6% and 66.4% respectively.

Coffee from Colombia comprised 12.5% of the total imports, up to 15.6% over the last two half-years.

Imports from Guatemala also show an increase, from 4.4% to 5.7% and 6.7% of the total.

The Swedish people are becoming more and more "coffee-minded," not only as to quantity consumed, which is approximately 7 kilos, or 15.5 lbs. per capita, but more especially as to quality.

South and West Sweden have always been particular as to quality, but their lead in this respect is now being followed by the rest of the country, though the roast preferred is still on the soft side. Otherwise, for the most part it is similar to the American roast. Hard-roasted coffee of the French type has little market. Rio coffees and other hard qualities likewise cannot be sold.

Demand for high quality washed beans prevails, and imports of Santos coffee are for the most part Extra Prime, Good to Large Bean, and Good Bean. In some parts of the country people want very large beans, and there is some import of Maragogype. There is no large market, as yet, for African coffees.

The Swedish market is provided for almost entirely by three groups of roasters: namely "Kooperativa Förbundet," with its chain stores throughout the whole land; "Sveriges Kafferosteriers Förening," which includes about 20 of the largest private roasters, and "ICA-koncernen," owned by the retailers.

The roasting factories have been greatly modernized during the last few years and are for the most part equipped with efficient and labor-saving American and German machinery.

The retailers buy only a small amount of raw coffee, which they then get roasted. On the other hand, there is a large trade of roasted coffee in bulk, from the roasters.

*(Continued on page 153)*

★ A Coffee Convention Feature

# coffee stagnation in Belgium

By J. DEMOLIN, Secretary General  
Office du Cafe  
Brussels, Belgium

During 1953 and up to the autumn of 1954, the problem of prices was one of the leading concerns of the coffee industry, on the buying end as well as in selling.

The consumer was concerned, of course, with the price he paid for his coffee.

When the trend on the market reversed, in August, 1954, the problems became increasingly those peculiar to supply in a falling market. The consumer welcomed each succeeding decrease in the retail price.

The product is cheaper now, even though it is still relatively expensive; but the resentment of the consumer has disappeared.

This situation could have promoted very favorable developments for the industry if at the same time maneuvers on prices in the producing countries had not incited importers and roasters to the utmost in caution.

Caution leads naturally to a hopeful attitude. But a long period of defense of prices and shrinking of sales does not favor the kind of commercial initiative needed to restore life to the market and to encourage expansion.

The uncertainty in the producing countries has repeatedly checked the welling enthusiasm of the industry.

Nevertheless, the industry is aware that its chances are all on the side of an expanding market and that their burdens always come from a falling one.

Unfortunately, competition here works above all on prices, on distribution margins, and too much is expected from these policies. Too often disregarded are other methods of promotion.

The price competition takes two shapes, essentially. On the one hand it discounts prices and distribution margins; on the other hand, it is characterized more and more by sales of coffee with premiums.

All these circumstances result in stagnation of coffee consumption in our country. The coffee business itself remains dormant, and nobody seems to care about blowing life into it again.

The coffee producing countries seem uninterested in the falling off of sales on our market. Until now, they seem absorbed with building up conditions to force upon their customers.

Meanwhile, the industry has learned to be concerned only with the interests of the consumer.

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★ A Coffee Convention Feature

## prices and demand in Switzerland

By JULES BRAUNSCHWEIG, Braunschweig & Co.  
Basle  
Switzerland

"What do you think in Switzerland of the present situation on the international coffee market and of current coffee prices?"

Time and again we were asked that question in the summer of 1954, and our answer was: "The coffee market

is ill, prices fluctuate, blood pressure is too high, an apoplectic fit is to be feared."

Today, in the summer of 1955, we must ask ourselves: "Which is the price that can be considered an adequate compensation for the producer's hard work?"

We still remember the decades before 1939, when prices over \$.20 were thought excessive, while for the coffee producer they actually were ruinous. On the other hand, we must bear in mind that at that time the purchasing power of both the U.S. dollar and the Swiss franc were almost twice that of today.

Is there an excess production of coffee or does demand counterbalance production? How will coffee production in Africa develop? There are big forests with millions of wild growing coffee trees whose fruits could be gathered if only there were enough men, or if a mechanical way to do so could be found.

Mankind grows by 100,000 souls daily, but does the number of coffee drinkers grow proportionately? Will it be possible to work out new development programs in order to introduce or to increase coffee consumption among populations of areas where hitherto there has been but little or none at all? Or will coffee, in the future, become useful not only as a beverage but will new ways be found for making increasing use of green and roasted coffee in medicine and chemistry?

We believe that new fields of research will open up for the scientists whose work, if successful, may become of the utmost importance for international trade and international economy.

As far as Switzerland is concerned, we can state that the average annual coffee consumption of about 3.0 to 3.5 kg. per inhabitant has remained more or less stable during the past 25 years.

Higher coffee prices probably account for the fact that average consumption has not increased, for Swiss housewives, as well as innkeepers, think twice before they spend their money.

Demand for soluble coffee will also play a part in coffee  
(Continued on page 155)

## merchandising slants from other fields

By ROBERT F. DEGEN, Vice President, Premium Advertising Ass'n. of America  
Vice President, Ted Bates & Co.

Coffee, as a business, is not unlike the toilet soap field in many respects. Both are highly competitive fields, with heavy advertising support. Both find it hard to develop advertising copy appeals which lift the products out of competition.

The coffee industry might well take a good look at what the large soap manufacturers are doing in a merchandising way.

Every quarter, some kind of a merchandising idea is given to the soap salesmen by practically all of the leading manufacturers.

It might be a consumer deal—such as a penny sale, a buy one-get one offer, a wrapper mail-in offer, a self-liquidating premium offer, or a couponing or sampling promotion.

Some coffee roasters, from time to time, run special promotions, such as 5¢ off on a pound, which is nothing more than a temporary price reduction. And occasionally you see a low pressure premium offer promotion.

The big job, of course, is to get consumers to buy your brand. But why should they spend a good part of a dollar for a brand they may never have tried before? An item of smaller cost has a better chance for offhand consumer experimentation with brands.

A case in point is that, a while back, a free premium offer was made by a cooperative premium group of nationally advertised grocery store products. The consumer was asked to bring into a local premium store, one from each of five different products to get a valuable premium *FREE*. One of the items was a brand of coffee.

Many women came to the store with coupons from all of the other four products, but not the coffee coupon.

Why? They said they didn't use that particular brand of coffee and wouldn't spend the money for a pound, just to get the premium. As a result, the requirements of the offer were changed, allowing the consumer to bring in coupons from three of seven products in the cooperative group, to get the free premiums.

A good brand of coffee that was having difficulty getting started a few years ago decided to offer the "mother and daughter" deal, that is: "Buy pound at regular price and get one-quarter pound free. Try the quarter pound. If it is not the finest coffee you ever tasted, etc., bring the unopened pound back to your grocer and money will be refunded." Expensive, perhaps, but it sold a lot of coffee and made a lot of new users.

Grocery store demonstrations may be slow, costly and



hard to arrange. But it is an excellent way to sample your brand with consumers. And you can learn a lot about Mrs. Housewife's reaction to your product by sampling several hundred women, in a store demonstration. The writer picked up a copy angle, on a store demonstration, that was the basis for an advertising campaign that ran several years and built a healthy business at a low advertising cost per case.

The toilet soap companies are continually testing advertising copy, deals, promotions, couponing, sampling, etc. Test towns are selected and the promotion or advertising run over a period of time. Key stores are selected and arrangements are made to check stocks regularly during the test, to determine over-the-counter movement of the product, as well as that of leading competitors' products.

This helps take the guess work out of judging the effectiveness of the advertising, or of the promotion. The selection of the test cities is very important. Any activity of competition to offset results of the test should be carefully evaluated.

Premium promotions have helped in similar fields, such as tea. There is no reason why the coffee industry couldn't do more along these lines, particularly with self-liquidating premiums—where the manufacturer gets back the cost of the premium plus postage, packaging and handling.

Women particularly are always interested in bargains, in saving money. They buy on impulse. But you can't fool them. You must give value in your premium. A premium should *never* be offered without first testing it.

You can test ten items, for example, to be offered at the same price—say 50¢ or \$1.00—with personal interviews house-to-house. Use a small town and a section of a large city. Test the premiums in pairs, then winners against winners. Take the winner and make a mailing to a cross section of about 1,000 housewives throughout the country, offering the premium for money only (no boxtops or wrappers). Use a mailing list of women who have written in on a previous premium offer, or get such a list from a mailing company. If you get a 20% return or over, you have a pretty good premium.

It's important to place a conservative initial order, depending on the amount of promotion and advertising to be put behind the premium. It's better to be short than to overbuy. Premium response can fool you sometimes, in spite of tests, experience and judgement.

An interesting thing to do is to take a select list of people who have written in for your premium and enclosed cash and a key strip or some other proof of purchase, and survey them to find out if they are new users, former users or regular users. Such a survey will

(Continued on page 155)

★ A Coffee Convention "Fact Reference" Feature: Premiums

## Nescafé premium offer draws million \$1 bills

By THOMAS M. JONES, Assistant Managing Editor  
Printers' Ink

Here's the story of a premium offer so successful it helped build a new factory!

The advertiser is The Nestlé Co., Inc., White Plains, N. Y., and its product in this offer is Nescafé instant coffee.

For \$1.00 and the paper innerseal from any jar of Nescafé, the Nestlé Co. offers a six-cup Pyrex instant coffee maker, the lower bowl of a standard Silex valued at \$2.85 retail.

In less than a year, returns passed 1,000,000, although the offer was suspended once to let premium supply catch up with demand. As a result, the Silex Co., originally supplying the premium from its Connecticut headquarters, rushed construction of a planned factory in Oklahoma to keep up with Nescafé's incoming mail.

More total sales and new instant coffee customers are primary goals of the campaign, of course. Nestlé officials are satisfied they're getting both, though they won't divulge details. But they do have a million innerseals as proof of purchases.

More specifically they want to promote—

*Volume sales* through bulk service (the family coffee pot idea) instead of one cup preparation by housewives.

*Mass in-store display* to help field salesmen.

*Sampling* to encourage home trial of the product and so overcome consumer resistance to instant coffee itself.

Instant coffee's basic appeal is the quick-and-easy individual serving. But Nescafé is pushing the idea of

making a potful at a time for family use.

Shopping for a suitable premium item, Donald Cady, advertising and merchandising vice president, and H. R. Barry, merchandising manager, gazed into the Silex bowl and saw two promotion possibilities—as an instant coffee maker it could be associated with the product itself, and as six-cupper it could be used to encourage making instant coffee in quantity.

So in late 1953, Nestlé ran a three-week test in five cities. Using local newspapers and radio spots, the program showed interesting results. Testing was then expanded to five regional areas with point-of-purchase display added. In three months returns showed the offer could be satisfactorily expanded to national scale. Local television cut-ins were tried in Boston to gauge TV pull before the offer was made on the Jackie Gleason CBS-TV show.

From these tests an estimate was made that orders would average a specific number each week but would peter out three months after the offer went national. Instead, they far exceeded this average, and still they come. Premium supply reserves were mowed down in three months, encouraging Silex to hurry along its new Oklahoma plant so Nestlé could reinstate its offer.

The national campaign started last August with distribution of Nescafé jars carrying a special keyed coupon label. A major panel on the label plugs the Silex Family Coffee Maker. Product directions encourage making Nescafé by the potful.

Coupled advertising in Life, Look and more than 100 newspapers broke in September, bolstered by just two mentions of the offer on the Gleason show. TV commercials included an offer of a free package of four individual-serving envelopes of Nescafé. Each package contains an order blank for the Silex premium,

### PREMIUM ATTRACTION

for increased sales action!

5 PIECE

### Cutlery Set

In Cutting Board Knife Rack

Four heavy gauge hollow ground vanadium steel knives and one kitchen fork. Lifetime hard rubber handles, guaranteed not to come loose. Blades are protected on 8½" by 11" Cutting Board . . . cutting board made of laminated strips of hard maple and cherry. Suction cups hold cutting board firmly in place. Protects table tops and cabinets.



Set No. 30  
Sample \$9.75

Quantity prices  
on request  
Knives may be purchased individually

A sure-fire premium that every woman wants! A premium that brings them in . . . stimulates new sales . . . and opens new accounts for you! Act now and send for complete details of the famous Cattaraugus Cutlery line.

Dept. C



CATTARAUGUS CUTLERY CO.  
LITTLE VALLEY, NEW YORK

and each premium itself contains a re-order blank.

Half of all orders come from jar labels, according to John E. Thompson, assistant merchandising manager. He credits all media with helping to boost this figure, and he reports returns traceable to other sources than labels as follows:

Newspapers ..... 10%  
Re-orders from premium

inserts ..... 10%

Television ..... 6%

Point-of-purchase order

pads ..... 6%

Magazines ..... 5%

Sample inserts ..... 5%

Direct mail, local promotions  
and miscellaneous ..... 8%

Each Silex premium also contains an order blank for a wrought iron candle warmer for 75 cents and a paper innerseal; 50,000 of these are now heating Nescafé from coast to coast.

All premium orders mailed by consumers to special New York post office boxes are picked up by Advertising Distributors of America, which ships labels at a rate of about 6,000 a day to its five zone offices. This decentralized handling cuts

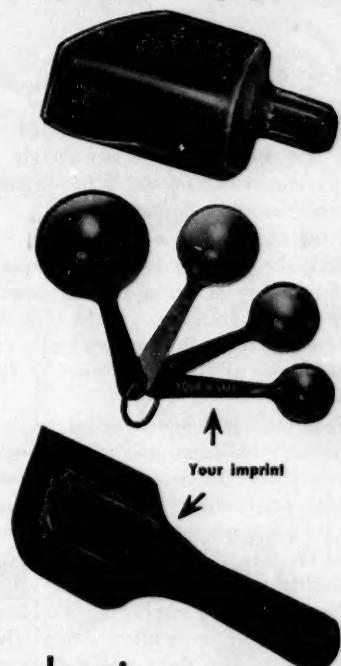
postage from an average of 50 cents per order to about 30 cents.

In addition to being utilitarian, the coffee maker is associated with the product and is perfect for Nescafé's multi-cup promotion. It also fits two other Nescafé advertising themes: coffee hunger and social acceptance. By making Nescafé by the potful and keeping it hot on the candle warmer, housewives can satisfy their own "coffee hunger" and that of their morning guests, and they have an acceptable table service for all social occasions—with the approval of Emily Post.

Instant coffee is a ruggedly competitive business today. Nescafé is produced in many other countries and sells more instant coffee than any other brand in the world, Mr. Thompson says. Nestlé ranks fifth among all coffee roasters in the U. S. Nescafé is promoted as the first modern instant coffee with a real coffee flavor (1939). Its current advertising uses the phrase "100% pure coffee."

*Reprinted from Printers' Ink, April 29th, 1955. Copyright 1955 by Printers' Ink Publishing Co., Inc., 205 East 42nd St., New York 17, N. Y.*

**priced low as  
the deuce, but  
aces high  
in pull-appeal!**



## plastic Kitchen Premiums by CAMPBELL

Campbell's colorful measuring spoons, kitchen scoops and scrapers have an amazing record for producing big promotion results at very little cost. They're practical, useful items that women want—not available in retail stores.

Campbell offers 'em individually or in 3-piece sets packaged for either give-away or mailing.

Spoons have capacities embossed on handles. Scoop is big  $\frac{1}{2}$  cup size. Scraper is made in one piece of pliable plastic. Length—6 inches.

Use your company letterhead please, and write today for quantity prices!

**W. E. Campbell Company**  
Phone—MElrose 2629

32 N. Western Ave., Dayton 7, Ohio

**NEW** as tomorrow!

REVELATION  
**Liquid lead**  
PENCILS

# R-31

100	250	500	1000
28c ea.	26c ea.	24c ea.	23c ea.

Price includes 1- to 4-line imprint

ORDER NOW!

retractable  
turn to write turn back to retract  
Your imprint

Writes dry  
makes a fine, erasable pencil line.

Never needs re-sharpening  
Point can't break  
Renewable eraser  
Will not smear or smudge

Comes in yellow, red, blue, green and black barrels

**Revelation** Plastics, Inc. DEPT. N10CT  
74 WASHINGTON STREET, NEW YORK 6, N. Y. • Bldg. 4-8260

## ★A Coffee Convention "Fact Reference" Feature: Ocean Freight

# coffee is served

By A Steamship Line Freight Solicitor

The "steamship man" can be, often is, and always should be, a coffee firm's best friend.

In the belief that you are entitled to know more of the ways and wiles of an ocean freight solicitor, these lines are written to explain the Who, What, When and Why of this commercial Samaritan.

### 1. Who is the Steamship Freight Solicitor?

He is the guy in a civilian suit who carries schedules, instead of a tray of beans, up and down the Front Streets of every green coffee market in the U. S. A.

He is the leg man, the eyes and ears of his company, the follow-upper and chaser-downer, a huckster of space and service.

He is the representative of infamy in an era of complaints. He is the middleman into whose ears flow the client's complaints about the steamship company's service and commercial personality; also his company's complaints about the perfidy and unreasonable demands of their clients. From the solicitor must emanate the spirit, words and deeds to mollify both houses.

Finally, he is a symbol of his company's interest in the coffee trade. If, as is often alleged, the steamship line were only interested in ships and shekels, they'd save the Solicitor's wages and expense account. They would handle their bookings and complaints by phone.

### 2. What does the Solicitor do?

Native drum beaters and national wire services take second place to the Solicitor in keeping his clients posted on what's going on. Sailing dates, coffees loaded, crises ashore and afloat which may affect the movement of coffee—all are items in his daily information bulletins.

To avoid the twin plagues of a surplus or shortage of space, he likes to find out what his clients expect to move on a particular vessel.

To expedite urgently required chops and clarify unbelievable situations, he cables the loading ports for the facts his clients need.

It is his task to follow up delayed claim settlements and investigate wharf demurrage disputes.

By demonstrating his company's ability to give good service, it is his job to keep his line's ships full of the coffee they can carry.

### 3. Where does the Solicitor act?

His territory is primarily the offices of his clients and wherever coffee men are known to congregate.

The complaints and worries received at these sources often send him to the piers and other departments of his line.

His own steamship organization has many members who, by nature of their work, never get to see or know anyone in the coffee trade. Nonetheless, their major efforts are either involved with, or controlled by, the necessities of the coffee trade.

\*If you want to get hold of this fellow, we know where he is.—Ed.

Policy, Ship Operations, Ports, Bills of Lading, Passengers, Claims, Rates, Statistics—each of these separate bailiwicks is the Solicitor's province when he is pursuing his client's interests. Indeed, the Solicitor is often the only contact some of these Departments enjoy with the outside world.

The Solicitor's ultimate "where" is the coffee outing and annual NCA convention. His nomination to, and acceptance at, these epochal events furnish his greatest reward this side of heaven. His presence here constitutes an implicit blessing by both client and employer. Besides that, he has a dandy time.

### 4. When does the solicitor perform?

The answer to that is easy: whenever he's needed by client or employer. Over and beyond the hours of daily routine, your ever-ready solicitor is an almost deplorable example of Johnny-on-the-Spot. Is your grower's Aunt Minnie due to arrive by Saturday midnight plane? You can count on Old Friendly Solicitor to be there to meet her with flowers and car to escort her to the hotel suite he'd previously reserved. Is a roaster sailing? Your Solicitor will see to it that he's attended to in style at every port the vessel calls.

In short, for intangible benefits as well as specific services, your Solicitor is on call 24 hours every day of the year.

### 5. Why does he do it?

First of all, we must admit that your Solicitor is not always the symbol of perfection described above. However, he's usually trying to be. The reason for his efforts is that he realizes his line's economic welfare depends on the prosperity of his clients. To the extent that his efforts benefit both their profits, his success and salary can be measured.

Besides, if he fails to show results, he knows that he will shortly be out looking for coffee the hard way—cup by cup.

## Stokes & Smith names new sales

### manager and service manager

Two top executive posts have recently been filled at the Stokes & Smith Co., subsidiary of Food Machinery & Chemical Corp.

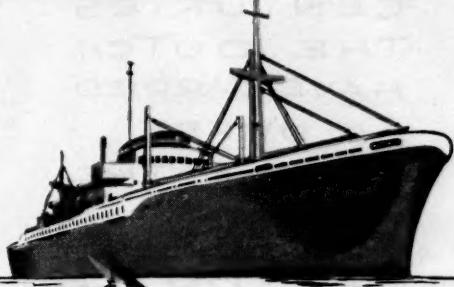
J. Russell Sonneborn, a member of the organization for many years, has been named general sales manager. John S. Stokes, Jr., formerly assistant to the company manager, has been appointed customer service manager.

In addition to extensive experience in sales, Mr. Sonneborn also has a broad knowledge of both engineering and production and a well rounded background in the packaging and paper box industries.

He is an alumnus of the Drexel Institute of Technology and the Wharton School of the University of Pennsylvania.

Before joining Stokes & Smith in 1946, Mr. Stokes spent several years in industry as a packaging engineer.

Mr. Stokes is a graduate of Lehigh University.



**7,000,000,000**

**Cups of Coffee**

Last year Delta Liners brought into U. S. Gulf Ports vast tonnages of fine coffees—sufficient to brew **SEVEN BILLION CUPS** of America's favorite beverage.

For 36 years, ships of the Delta Line have sailed the routes of the coffee trade, serving this great commerce with regularity and efficiency.

Every week from Brazil, and every three weeks from West Africa, Delta Liners sail for U. S. Gulf Ports, maintaining the coffee supply to satisfy America's demands.

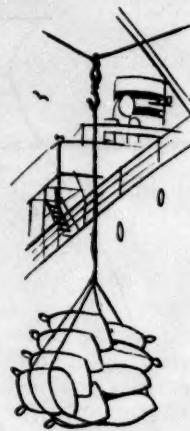
**Delta Line**  
MISSISSIPPI SHIPPING CO., INC., NEW ORLEANS  
New York • Chicago • St. Louis • Washington

THE COFFEE FLEET SERVES MID-CONTINENT UNITED STATES

OCTOBER, 1955



COFFEE?  
FOR THREE  
CENTURIES  
THE DUTCH  
HAVE CARRIED  
COFFEE  
ACROSS THE  
SEAS!  
THE DUTCH  
KNOW HOW



## Holland Interamerica Line

JOINT SERVICE: Holland-America Line • Van Nievelt, Goudriaan & Co.'s Steamship Co.  
NEW YORK—Holland-America Line, General Agents, 29 Broadway, Tel. WHitehall 4-1900

NEW YORK PIERS: { Discharge, Pier 32, N. Y. Decks, Brooklyn, N. Y.  
Loading, Pier 1, Erie Basin, Brooklyn, N. Y.

BOSTON—Peabody & Lane, Inc., 131 State St.  
Tel. LAFayette 3-0960

PHILADELPHIA—Furness, Withy & Co., Ltd., 312 Lafayette Bldg.  
Tel. MARKet 7-7800

BALTIMORE—Robert C. Herd & Co., Inc., Mercantile Trust Bldg.  
Tel. SARatoga 7-7660

NORFOLK—NEWPORT NEWS—Furness, Withy & Co., Ltd., 434 Boush St.  
Norfolk. Tel. MADison 2-5615

PITTSBURGH—John E. Streett, Inc., Henry W. Oliver Bldg.  
Tel. ATLantic 1-6450

CLEVELAND—Steamship Agencies, Inc., 818 Standard Bldg.  
Tel. MAIn 1-0484

DETROIT—Steamship Agencies, Inc., Lafayette Bldg.  
Tel. WOODward 1-8380

CHICAGO—Holland-America Line, 39 So. LaSalle St., Room 200  
Tel. RANDolph 6-1955

Where you want it...

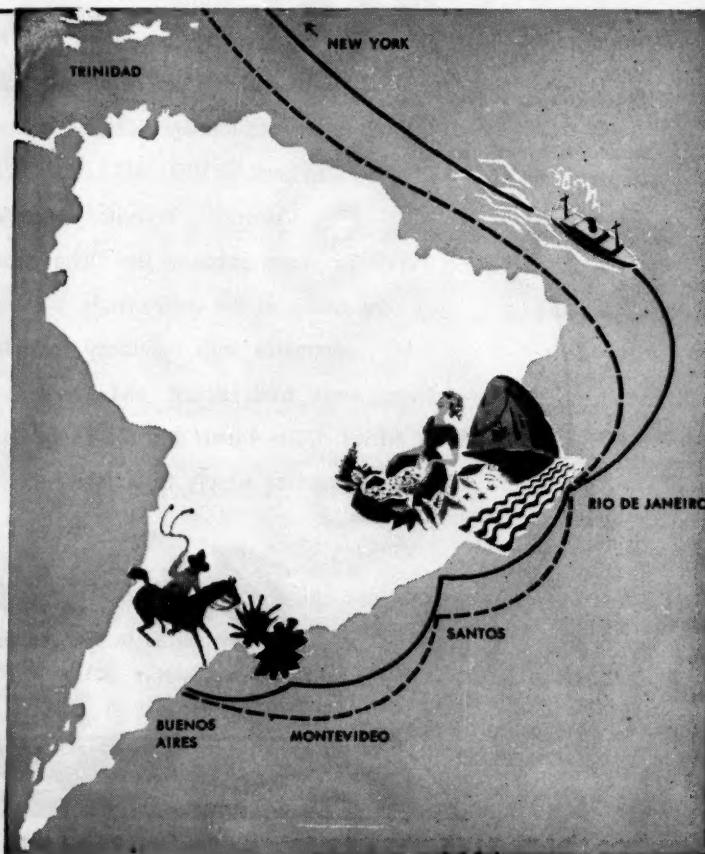
When you want it...

Your coffee arrives in perfect condition at our modern terminal at Pier 25, North River, New York, in just 13 days from Santos—12 days from Rio—when it comes via Argentine State Line. Our large fleet of modern freighters, plus three new passenger liners—RIO DE LA PLATA, EVITA and RIO JACHAL—operate a swift, dependable cargo service between East Coast of South America ports and New York. Your coffee is handled by experienced, efficient crews, in and out of immaculate holds, assuring a minimum of bag damage and flavor contamination from dockside in Rio or Santos to truck or lighter in New York.

## ARGENTINE STATE LINE

Boyd, Weir and Sewell, Inc., General Agents

24 State Street, New York 4, N. Y., Tel. BO 9-5660



# Ship sailings

## A SUMMARY OF INWARD-BOUND SCHEDULES ON THE COFFEE AND TEA BERTHS

Port and dates are subject to change, should exigencies require. Moreover, lines may schedule sailings not shown in this schedule.

### Abbreviations for lines

Abl Trans Car—Ablmann Trans Caribbean Line  
Alcoa—Alcoa Steamship Co.  
Am-Exp—American Export Lines  
Am-Pres—American President Lines  
ArgState—Argentine State Line  
Am-W Afr—American-West African Line  
Barb-Frn—Barber-Fern Line  
Barb-W Afr—Barber-West African Line  
Barb-Wn—Barber Wilhelmsen Line  
Brodin—Brodin Line  
Cunard—Brocklebanks' Cunard Service  
Delta—Delta Line  
Dodero—Dodero Lines  
Dreyfus—Dreyfus Lines  
Ell-Buck—Ellerman & Bucknell S.S. Co.  
Farrell—Farrell Lines  
Grace—Grace Line  
Granco—Transportadora Gran Colombiana, Ltd.  
Gulf—Gulf & South America Steamship Co., Inc.  
Hol-Int—Holland-Interamerica Line

IFC—I.F.C. Lines  
Independence—Independence Line  
JavPac—Java-Pacific Line  
Lamp-Ho—Lampert & Holt Line, Ltd.  
Lloyd—Lloyd Brasileiro  
Lykes—Lykes Lines  
Maersk—Maersk Line  
Mam—Mameric Line  
Mormac—Moore-McCormack Lines, Inc.  
Nedlloyd—Nedlloyd Line  
Nopal—Northern Pan-American Line  
Norton—Norton Line  
PAB—Pacific Argentine Brazil Line  
PacFar—Pacific Far East Line, Inc.  
PacTrans—Pacific Transport Lines, Inc.  
Pioneer—American Pioneer Line  
Prince—Prince Line, Ltd.  
R Nesh—Royal Netherland Steamship Co.  
Robin—Robin Line  
Royal Inter—Royal Intercean Lines  
SCross—Southern Cross Line  
Sprague—Sprague Steamship Line  
Stockard—Stockard Line  
Swed-Am—Swedish American Line  
UFruit—United Fruit Co.  
Wes-Lar—Westfal Larsen Co. Line  
Yamasbita—Yamasbita Line

Abbreviations for ports  
Ba—Baltimore  
Bo—Boston  
CC—Corpus Christi  
Cb—Chicago  
Cbsn—Charleston  
Cl—Cleveland  
De—Detroit  
Ga—Galveston  
Gj—Gulf ports  
Ha—Halifax  
Ho—Houston  
HR—Hampton Roads  
Jx—Jacksonville  
LA—Los Angeles  
Ml—Montreal  
Mo—Mobile  
NO—New Orleans  
NY—New York  
Nj—Norfolk  
NN—Newport News  
Pa—Philadelphia  
Po—Portland  
PS—Puget Sound  
Sa—Savannah  
SF—San Francisco  
Se—Seattle  
St Jo—Saint John  
Ta—Tacoma  
Va—Vancouver

## COFFEE BERTHS

SAILS SHIP LINE DUE  
**ACAJUTLA**

10/22 Choluloteca UFruit Cr10/26 NY11/3  
11/3 Santa Fe Grace LA11/12 SF11/14 Sell/19

### AMAPALA

10/17 Choluloteca UFruit Cr10/26 NY11/13

### BARRANQUILLA

10/11 Santa Ana Grace NY10/29  
10/15 Mataura UFruit NY10/28  
10/17 Aggersborg UFruit NO10/28  
10/18 Santa Catalina Grace NY10/26  
10/21 Santa Fe Grace LA11/12 SF11/14 Sell/19  
10/24 Copan UFruit NY11/17  
10/25 Santa Ana Grace NY11/9  
10/27 Werratal Independence LA11/13 SF11/15 Vall/19 Sell/20 Poll/22  
10/29 L.H. Carl UFruit NY11/11  
10/31 Marna UFruit NO11/11  
11/6 Otta UFruit NY11/18  
11/8 Santa Catalina Grace NY11/16  
11/13 Mataura UFruit NY11/25  
11/14 Aggersborg UFruit NO11/25  
11/15 Santa Teresa Grace NY11/23  
11/20 Mabella UFruit NY12/2

### BARRIOS

10/11 Leon UFruit NO10/15  
10/14 Cubahama UFruit NO10/18  
10/18 Telde UFruit NO10/22  
10/20 Lovland UFruit 10/29  
10/25 La Playa UFruit NO10/29  
10/27 Mabella UFruit NY11/5  
10/28 Cubahama UFruit NO11/1

SAILS SHIP LINE DUE

11/1 Leon UFruit NO11/15  
11/3 Manaqui UFruit NY11/12  
11/8 Telde UFruit NO11/12  
11/10 A steamer UFruit NY11/19  
11/11 Cubahama UFruit NO11/15  
11/15 La Playa UFruit NO11/19  
11/17 Lovland UFruit NY11/26  
11/22 Leon UFruit NO11/26  
11/24 Copan UFruit NY12/3  
11/25 Cubahama UFruit NO11/29

### BUENAVENTURA

10/10 Santa Cecilia Grace NY10/17  
10/14 Gulf Bunker Grace NO10/26  
10/17 Santa Maria Grace NY10/24  
10/23 Santa Flavia Grace LA10/29  
10/24 Santa Margarita Grace NY10/31  
10/25 Santa Flavia Grace LA10/29 SF11/2 Sell/9  
10/28 Gulf Farmer Grace NO11/9  
10/29 Santa Fe Grace LA11/12  
10/31 Werratal Independence LA11/13 SF11/15 Vall/19 Sell/20 Poll/22  
10/31 Santa Barbara Grace NY11/7  
11/2 Santa Rita Grace NY11/9 Bell/14 Ball/17  
11/7 Santa Isabel Grace NY11/14  
11/11 Gulf Merchant Grace NO11/23 NO11/27  
11/14 Santa Luisa Grace NY11/21

### CARTAGENA

10/15 Santa Rosa Grace NY10/19  
10/16 Mataura UFruit NY10/28  
10/17 Aggersborg UFruit NO10/28  
10/29 Santa Fe Grace LA11/12 SF11/14 Sell/19  
10/22 Santa Paula Grace NY10/26  
10/24 Copan UFruit NY11/7  
10/28 Werratal Independence LA11/13 SF11/15 Vall/19 Sell/20 Poll/22

SAILS	SHIP	LINE	DEU	SAILS	SHIP	LINE	DEU				
10/29	Santa Rosa	Grace	NY11/2	10/27	Santa Rosa	Grace	NY11/2				
10/30	L.H. Carl	UFruit	NY11/11	10/29	Santa Ana	Grace	NY11/9				
10/31	Marna	UFruit	NO11/14	11/1	Santa Clara	Grace	Pall/8 NY11/9				
11/5	Santa Paula	Grace	NY11/9	11/3	Santa Paula	Grace	NY11/9				
11/7	Otta	UFruit	NY11/18	11/5	Santa Catalina	Grace	NY11/16				
11/12	Santa Rosa	Grace	NY11/16	11/8	Santa Sofia	Grace	Ball/15 NY11/16				
11/14	Mataura	UFruit	NY11/25	11/10	Santa Rosa	Grace	NY11/16				
11/14	Aggersborg	UFruit	NO11/25	11/12	Santa Teresa	Grace	NY11/23				
11/19	Santa Paula	Grace	NY11/23	11/15	Santa Monica	Grace	Pall/22 NY11/23				
11/21	Mabella	UFruit	NY12/2	11/17	Santa Paula	Grace	NY11/23				
<b>CORINTO</b>											
10/10	Santa Fe	Grace	Cr10/17	<b>MARACAIBO</b>							
<b>CRISTOBAL</b>								10/16	Santa Sofia	Grace	Pal0/25 NY10/26
10/14	Byfjord	UFruit	NY10/21	10/23	Santa Monica	Grace	Ball/1 NY11/2				
10/23	Aggersborg	UFruit	NO10/28	10/30	Santa Clara	Grace	Pall/8 NY11/9				
10/29	Choluteca	UFruit	NY11/5	11/6	Santa Sofia	Grace	Ball/15 NY11/16				
11/6	Marna	UFruit	NO11/11	11/13	Santa Monica	Grace	Pall/22 NY11/23				
11/20	Aggersborg	UFruit	NO11/25	<b>LA LIBERTAD</b>							
<b>DAR es SALAAM</b>								10/14	Lempa	UFruit	Cr10/18 NO10/22
10/12	Leopold	Dryfuss	NY11/24 NO12/5	10/21	Choluteca	UFruit	Cr10/26 NY11/3				
10/12	Afr Rainbow	Farrell	NY11/10	11/2	Santa Fe	Grace	LA11/12 SF11/14 Sell/19				
10/21	James McKay	Lykes	Gulf12/4	11/14	Lempa	UFruit	Cr11/18 NO11/22				
11/1	Afr Star	Farrell	NY12/1	<b>LA UNION</b>							
11/13	Francois	Dryfuss	NY12/23 NO1/3	10/12	Lempa	UFruit	Cr10/18 NO10/22				
11/26	Gerard	Dryfuss	NY1/5 NO1/16	10/19	Choluteca	UFruit	Cr10/26 NY11/3				
<b>LA GUAIRA</b>								11/1	Santa Fe	Grace	LA11/12 SF11/14 Sell/19
10/10	Santa Clara	Grace	Bal0/17 NY10/18	11/12	Lempa	UFruit	Cr11/18 NO11/22				
10/13	Santa Rosa	Grace	NY10/19	<b>LIMON</b>							
10/15	Santa Catalina	Grace	NY10/26	10/13	Otta	UFruit	NY10/20				
10/18	Santa Sofia	Grace	Pal0/25 NY10/26	10/20	Mataura	UFruit	NY10/28				
10/20	Santa Paula	Grace	NY10/26	10/21	Aggersborg	UFruit	NO10/28				
10/22	Santa Teresa	Grace	NY11/2	10/30	Copan	UFruit	NY11/7				
10/25	Santa Monica	Grace	Bal1/1 NY11/2	11/3	L.H. Carl	UFruit	NY11/11				

## Our Top Ranking Cargo Services

MAINTAINED FOR MORE THAN  
60 YEARS

from VENEZUELA, THE CARIBBEAN,  
HAITI, DOMINICAN REPUBLIC

to U. S. ATLANTIC & GULF PORTS

*assure prompt delivery of your  
coffee shipments*

# Royal Netherlands Steamship Company

FREIGHT AGENTS

ATLANTIC PORTS — FUNCH, EDYE & CO. — NEW YORK  
GULF PORTS — STRACHAN SHIPPING CO. — NEW ORLEANS

SAILS	SHIP	LINE	LINE	DUE
11/4	Marna	UFruit	NY	11/11
11/10	Otta	UFruit	NY	11/18
11/17	Matawa	UFruit	NY	11/25
11/18	Aggersborg	UFruit	NO	11/25
11/24	Mabellia	UFruit	NY	12/2

#### LOBITO

10/19	Afr Pilgrim	Farrell	NY	11/18
10/23	Afr Pilot	Farrell	NY	11/12
11/28	Afr Dawn	Farrell	NY	12/8

#### LUANDA

10/16	Afr Pilgrim	Farrell	NY	11/18
10/19	Afr Pilot	Farrell	NY	11/12
11/15	Afr Dawn	Farrell	NY	12/8

#### MATADI

10/13	Afr Pilgrim	Farrell	NY	11/18
10/16	Afr Pilot	Farrell	NY	11/12
11/12	Afr Dawn	Farrell	NY	12/8

#### MOMBASA

10/16	Leopold	Dryfuss	NY	11/24	NO	12/5
10/22	Afr Star	Farrell	NY	12/1		
11/17	Francois	Dryfuss	NY	12/23	NO	1/3
11/29	Gerard	Dryfuss	NY	1/5	NO	1/16

#### PARANAGUA

10/10	Mormacreed	Mormac	Jx	10/31	NY	11/4	Boll/6	Pall/8	Ball/10	N	11/11		
10/14	Del Aires	Delta			NO	11/5							
10/18	Mormacdale	Mormac			NY	11/8	Boll/11	Pall/13	Ball/15				
10/18	Appingedyk	Hol-Int			NY	11/8	Boll/10	Pall/12	Ball/13	HR	11/15		
10/21	Nicaragua	Lloyd			NO	11/11	Ball/11						
10/23	Mormacowl	Mormac			Ball/11		Pall/13	NY	11/15	Boll/17	M	11/21	
10/24	Del Mundo	Delta			NO	11/15							
10/24	Chile	Lloyd			NY	11/12							
10/25	Forrester	PAB			LA	11/19	SF	11/21	Vall/26	Sell/27	Po	12/1	
10/26	Mormacmar	Mormac			LA	11/23	SF	11/26	Poll/29	Sel2/1	Val	2/4	
10/29	Mormactide	Mormac			Jx	11/17	NY	11/21	Boll/23	Pall/25	Ball/27	N	11/28
11/5	Del Santos	Delta			NO	11/26							
11/14	Del Alba	Delta			NO	12/8							

#### PUERTO CABELLO

10/13	Santa Rosa	Grace	NY	10/19		
10/17	Santa Sofia	Grace	Pa	10/25	NY	10/26
10/20	Santa Paula	Grace	NY	10/26		
10/24	Santa Monica	Grace	Ball/1	NY	11/2	
10/27	Santa Rosa	Grace	NY	11/2		
10/31	Santa Clara	Grace	Pall/8	NY	11/9	
11/3	Santa Paula	Grace	NY	11/9		
11/7	Santa Sofia	Grace	Ball/15	NY	11/16	
11/10	Santa Rosa	Grace	NY	11/16		
11/14	Santa Monica	Grace	Pall/22	NY	11/23	

#### PUNTARENUS

10/11	Lempa	UFruit	C	10/28	NO	10/22
10/14	Santa Fe	Grace	Cr	10/17		
10/15	Choluteca	UFruit	Cr	10/26		
11/11	Lempa	UFruit	C	11/18	NO	11/22

#### RIO de JANEIRO

10/13	Del Norte	Delta	N	10/27							
10/16	Mormacreed	Mormac	Jx	10/31	NY	11/4	Boll/6	Pall/8	Ball/10	N	11/11
10/19	Del Aires	Delta	N	11/5							
10/20	Mormacmar	Mormac	LA	11/23	SF	11/26	Poll/29	Sel2/1	Val2/4		
10/20	Forrester	PAB	LA	11/19	SF	11/21	Vall/26	Sell/27	Po	12/1	
10/26	Brazil	Mormac	NY	11/7							
10/29	Del Mundo	Delta	N	11/15							
11/3	Del Sud	Delta	N	11/17							
11/4	Mormactide	Mormac	Jx	11/17	NY	11/21	Boll/23	Pall/25	Ball/27	N	11/28
11/9	Del Santos	Delta	N	11/26							
11/19	Del Alba	Delta	N	12/6							
11/24	Del Mar	Delta	N	12/8							

OCTOBER, 1955



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SAILS	SHIP	LINE	LINE	DUE	SAILS	SHIP	LINE	LINE	DUE							
<b>SAN JOSE</b>																
10/10	Santa Cruz	Grace	LA10/17	SF10/19	Sel10/24											
11/5	Santa Fe	Grace	LA11/12	SF11/14	Sel11/19											
<b>SANTOS</b>																
10/12	Bolivia	Lloyd	NY10/28					<b>TEA BERTHS</b>								
10/15	Mormacred	Mormac	Jx10/31	NY11/4	Bol1/6	Pall1/8	Ball1/10	Nfl11/11	10/10	Exchequer	Am-Exp	Bol1/14	NY11/15			
10/25	Mormacdale	Mormac	NY11/8	Bol1/11	Pall1/13	Ball1/25										
10/24	Forester	PAB	LA11/19	SF11/21	Vall1/26	Sell1/27	Pol1/21									
10/24	Brazil	Mormac	NY11/7					10/22	Exmouth	Am-Exp	Bol1/28	NY11/29				
10/25	Nicaragua	Lloyd	N011/11	Holl1/15					11/8	Silverwave	JavPac	SF12/11	LA12/16	Pol12/30	Sel1/3	Val1/8
10/25	Apingeddyk	Hol-Int	NY11/8	Bol1/10	Pall1/12	Ball1/13	HR11/15									
10/25	Mormacmar	Mormac	LA11/23	SF11/26	Poll1/29	Sel12/1	Bal12/4	11/10	Exchange	Am-Exp	Bol12/15	NY12/16				
13/26	Del Mundo	Delta	N011/15					11/21	Exhibitor	Am-Exp	Bol12/27	NY12/28				
10/27	Chile	Lloyd	NY11/12													
10/27	Mormacowi	Mormac	Ball1/11	Pall1/13	NY11/15	Bol1/17	M11/21	10/18	Exchequer	Am-Exp	Bol1/14	NY11/15				
11/2	Mormactide	Mormac	Jx11/27	NY11/21	Bol1/23	Pall1/25	Ball1/27	10/20	Buchanan	Am-Pres	NY11/27	Bol12/4				
										10/30	Exmouth	Am-Exp	Bol1/28	NY11/29		
11/2	Del Sud	Delta	N011/17					11/3	Garfield	Am-Pres	NY12/11	Bol12/18				
11/7	Del Santos	Delta	N011/26					11/19	Exchange	Am-Exp	Bol12/15	NY12/16				
11/16	Del Alba	Delta	N012/6					11/30	Exhibitor	Am-Exp	Bol12/27	NY12/28				
11/23	Del Mar	Delta	N012/8													
<b>TANGA</b>										<b>COLOMBO</b>						
10/13	Leopold	Dryfuss	NY11/24	N012/5					10/12	Matheran	Cunard	Sall/9	N011/14	M11/16	Holl1/20	Gall1/23
10/27	Afr Star	Farell	NY12/1					10/15	Exchequer	Am-Exp	Bol1/14	NY11/15				
10/27	James McKay	Lykes	Gulf12/4					10/17	Buahanan	Am-Pres	NY11/27	Bol12/4				
11/14	Francois	Dryfuss	NY12/23	N011/3					10/19	Leoville	Barb-Frn	Gulf12/1				
11/27	Gerard	Dryfuss	NY1/5	N011/6					10/19	Nias	JavPac	LA12/4	SF12/10	Pel12/16	Sel12/20	Val12/23
<b>VICTORIA</b>										10/28	Exmouth	Am-Exp	Bol1/28	NY11/29		
10/21	Del Aires	Delta	N011/5					10/31	Garfield	Am-Pres	NY12/11	Bol12/18				
10/27	Nicaragua	Lloyd	N011/11	Holl1/15					11/3	Bonneville	Barb-Frn	Gulf12/16				
10/31	Del Mundo	Delta	N011/15					11/15	Exchange	Am-Exp	Bol12/15	NY12/16				
11/11	Del Santos	Delta	N011/26					11/15	Pleasantville	Barb-Frn	Gulf1/1					
11/21	Del Alba	Delta	N012/8					11/27	Exhibitor	Am-Exp	Bol12/27	NY12/28				
<b>DJAKARTA</b>																
10/12	Tyler									10/12	Tyler	Am-Pres	LA11/27	NY12/12	Bal12/18	Bol12/21
10/28	Pleasantville									10/28	Pleasantville	Barb-Frn	Gulf1/1			
11/7	Mandeville									11/7	Mandeville	Barb-Frn	Gulf1/16			

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10/25	Exchequer	Am-Exp	Bol1/14	NY11/15
11/9	Exmouth	Am-Exp	Bol1/28	NY11/29
11/26	Exchange	Am-Exp	Bol2/15	NY12/16
12/8	Exhibitio:	Am-Exp	Bol2/27	NY12/28

**HONG KONG**

10/10	Sea	Pioneer	NY11/18
10/12	Garfield	Am-Pres	NY12/11 Bol2/18
10/19	Tide	Pioneer	NY11/27
10/20	Cracker State	Am-Pres	LA11/2 NY11/16 Bol1/21 Ball1/23
10/22	Madison	Am-Pres	NY12/21 Bol2/28
10/27	McKinley	Am-Pres	SF11/19 LA11/22
11/3	Wilson	Am-Pres	SF11/21

**KOBE**

10/15	Sea	Pioneer	NY11/18
10/16	Madison	Am-Pres	NY12/21 Bol2/18
10/24	Tide	Pioneer	NY11/27
11/3	McKinley	Am-Pres	SF11/19 LA11/22
11/7	Wilson	Am-Pres	SF11/21

**SHIMIZU**

10/17	Sea	Pioneer	NY11/18
10/26	Tide	Pioneer	NY11/27
11/5	McKinley	Am-Pres	SF11/19 LA11/22

**YOKOHAMA**

10/13	Contest	PacFar	SF10/29
10/14	Cleveland	Am-Pres	SF10/27
10/19	Sea	Pioneer	NY11/18
10/28	Tide	Pioneer	NY11/27
11/6	McKinley	Am-Pres	SF11/19 LA11/22
11/8	Wilson	Am-Pres	SF11/21

<sup>1</sup> Accepts freight for New York, with transhipment at Cristobal, C. Z.  
<sup>2</sup> Accepts freight for Atlantic and Gulf ports, with transhipment at Cristobal, C. Z.

**Sweden's coffee imports**

(Continued from page 140)

This coffee is weighed, packed and sold by the retailers as their own blends.

But most coffee is sold packed in cartons, lined with aluminium foil. More and more, too, is vacuum sealed coffee in tins, filled with CO<sub>2</sub>, gaining a market. Consumers have found that they purchase a more freshly-roasted coffee, ground to their requirements, from these tins. Retailers are also better served, inasmuch as they have less trouble with storage, and labor is consequently saved. They are content with an apparently smaller margin of profit, for there is much difficulty in obtaining trained staff, and salaries are high.

Soluble coffee has not, at present, gained any large market in this country.

There are now no import restrictions. Indeed, there is a wish to increase imports and consumption in order to facilitate exports from our other industries.

Coffee is the most important drink in Sweden. Tea is consumed to a small extent and wine, is also imported, though the latter is not the daily drink of the people as a whole.

It is therefore encouraging to see that the tendency is towards better coffee and more people are learning how to brew it. They have also learned how to brew a stronger coffee and not a watery soup, as used to be drunk from morn to night from an old pan, which spent its entire life on a stove.

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Pier 3, North River

NEW ORLEANS:  
321 St. Charles St.



## can the regionals do it in instants, too?

(Continued from page 103)

know our own business, the newspaper business, it is the function of coffee roasters to know their business far better than we possibly could.

But the very nature of our own industry has inevitably led us to a study, over a long period of time, of many of the sales and advertising problems of grocery manufacturers, and to certain conclusions which we believe should be of some interest to coffee roasters today. We keep our ears to the ground to learn all we can about what goes on in the regular and soluble coffee businesses simply because of our interest in the advertising which is forthcoming from both.

May we add that we are certainly neutral as between regional and national manufacturers in the coffee business, except in the broad sense that we believe sound competition from the smaller local or regional manufacturer is healthy for all. We believe even the big national manufacturer will agree with this.

### Very local business

We ourselves are in a *very* local business. The great majority of newspapers are published by individual local publishers. All are edited locally. Therefore, it is only natural that we have been studying business, selling, and advertising in terms of local efforts for many years.

One sequence of events which we have seen many times in the course of our study has been the victory of one national brand over another, market by market, in large part because the victor did a thorough local market saturation job, while the loser thought he could sit back and rely upon so-called national media for results.

Another sequence has been the victory of many local or regional brands over national brands in many individual markets where the local or regional manufacturer took full advantage of his proximity to the market to coordinate selling, merchandising and advertising in a thorough and effective local market saturation job.

We, therefore, believe the opportunity exists for a good product, whether produced by a national, regional or local manufacturer, to reach the top in any local market if the local job of promoting it is superior to that done for its competitors. We have chosen a few examples of this, from many which we have available, to illustrate this point.

### For example . . .

First, we have a household product in the cleaning field, produced by a national manufacturer, which took over in a classification where the leading brand had settled back in a "national" easy chair and was relying on "national maintenance advertising" to keep its top spot in the field. The new product, was sold in market after market with local-level promotion. Year after year since, it has maintained a high level of local advertising.

A smart regional organization in the baking product field had no trouble selling its brand against two powerful national competitors which spent much more money on advertising and promotion. This regional manufacturer applied all the principles of local market saturation, spent all its ad dollars in local media (mostly newspapers) and quickly garnered a substantial share of the market.

An entirely new type of household product in the laundering field, with powerful newspaper advertising and

local saturation, jolted the giants of the industry into a feverish search for a product with which to compete.

In your own field, you know that many local and regional brands of regular coffee lead in many individual markets. The accompanying charts show the extent of the hold they have on a large, a medium, and two small markets.

So, we leave the thought with you: "For a good product, local market saturation *does pay off*."

#### Bibliography:

- 1 St. Louis Globe-Democrat Monthly Grocery Inventory
- 2 Washington Star Consumer Analysis
- 3 New York World-Telegram & Sun Monthly Grocery Inventory
- 4 Seattle Times, Portland Oregon Journal, Sacramento, Fresno and Modesto Bee, and San Jose Mercury News Consumer Analysis
- 5 Chicago Tribune Consumer Panel
- 6 Birmingham News and Post-Herald Consumer Analysis

#### merchandising slants

(Continued from page 143)

give other valuable information about your product.

Large grocers like promotions that will bring traffic into their stores. Competition in the grocery field is wicked.

For a food store promotion, you can offer the dealer a premium free for buying "X" number of cases. But he must feature and display your brand. He can keep the premium for his personal use, or he can offer it as a prize in a lucky number contest in states that will permit such drawings (nothing to buy—no obligation.) The consumer is asked to fill out name and address, and drop them in a box at the floor display of your brand.

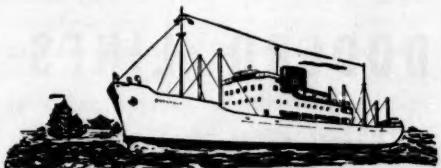
In states that do not permit lotteries, the consumer would be required to write a few words about improving the store's service, or suggest a name for a new grocery product.

You have to be resourceful—you have to be merchandising-minded. It's possible to promote and merchandise coffee, if you really go at it and create excitement around your product—consistently.

#### prices and demand in Switzerland

(Continued from page 142)

consumption in Switzerland, but here we hesitate to predict the course of development, as the Swiss in general and the country population in particular are most conservative in their habits.



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Houston—Biehl & Co., Cotton Exchange Bldg.

Chicago—F. C. MacFarlane, 2520 Bankers Bldg.

Detroit—F. C. MacFarlane, 945 Free Press Bldg.

Santos/Rio—Agencia de Vapores Grieg S/A

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**Coffee Statistics**  
for the Two Major Periods of Rising Consumption

Year	World exportable production	World consumption	U. S. import value	U. S. retail value	U. S. per capita disposable personal income
1895-1896	10.1	11.1	14.6	26.8	19.5
1896-97	13.7	12.2	11.1	25.5	19.5
1897-98	15.8	14.6	7.5	24.5	19.8
1898-99	13.5	13.5	6.5	24.4	20.5
1899-1900	13.6	15.0	6.7	24.5	20.7
1900-01	15.1	14.3	7.4	24.4	21.4
1901-02	19.7	15.5	6.4	24.2	21.9
1902-03	17.6	16.0	6.6	24.1	22.9
1903-04	15.8	16.1	7.0	24.7	22.8
1904-05	14.4	16.2	8.1	25.2	23.4
1905-06	15.4	16.7	8.6	25.5	24.0
1906-07	23.8	17.5	7.9	25.6	25.1
1926-1927	24.4	21.3	20.3	47.4	51.8
1927-28	34.9	25.5	19.4	48.2	52.0
1928-29	23.9	22.2	21.5	47.9	53.5
1929-30	56.4	23.6	16.4	39.5	51.5
1930-31	24.3	25.2	11.2	32.8	44.6
1931-32	55.8	25.7	9.2	29.4	36.0
1932-33	26.2	22.9	8.8	26.4	30.0
1933-34	37.7	24.4	8.0	26.9	31.0
1934-35	35.0	22.7	8.7	25.6	34.8
1935-36	30.1	25.8	7.5	24.3	39.2
1936-37	36.3	24.9	8.4	25.5	43.1

**coffee consumption**

(Continued from page 72)

world coffee consumption to the point that it kept pace with increasing production. World consumption was about 11,000,000 bags in 1896 and climbed to 17,500,000 bags by 1907. The rapid increase in consumption, despite only moderate price declines, brought about the re-establishment of stability in the coffee market by 1910. The great concern that existed in 1902, when an international coffee conference was held to consider what might be done about the critical supply and price situation, was quickly dissipated under the influence of increasing consumption. The levels of consumption attained just prior to World War I were far above any previously experienced in the coffee industry.

In contrast to this first great period of increasing production, the second period, 1927 to 1937, was concurrent

with declining consumer income. The index of United States per capita disposable personal income was 51.8 in 1927, 30.0 in 1933, and 43.1 in 1937. In Europe, the downward trend of income was approximately the same. In the face of low consumer income, coffee prices fell much more drastically in this period than in the first period. The following table contrasts prices in 1927 and 1937:

Year <sup>2</sup>	Import value cents per lb.	Retail price cents per lb.
1927	20.3	47.4
1937	8.4	25.5

These drastic price declines stimulated consumption only slightly. World consumption was 21,300,000 bags in 1927, 22,900,000 in 1933, and 24,900,000 in 1937. Such consumption levels were far below world production and supply.

**Coffee economy can expand**

What can we infer from these observations that bear on the outlook for the immediate future? Evidently, the degree of price adjustment for a given increase in production depends primarily on income levels in the consuming countries. So long as high income levels persist in the United States and Europe, as at present, relatively small price adjustments are likely to have a significant stimulating effect on consumption. Such a period is, in fact, an opportunity for further expansion of the coffee economy; the record shows that large increases in consumption attained during periods of high consumer income are largely maintained thereafter.

It is likewise true that these price adjustments have tended to make coffee a progressively less-expensive commodity. The price of coffee when expressed in constant dollars (so as to allow for changes in the value of currency) has followed a long-time downward trend. Declines in the "real" price of coffee must come about primarily by technological improvements in production, if

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General Agents

**COSMOPOLITAN SHIPPING COMPANY, Inc.**  
42 BROADWAY, NEW YORK 4, N. Y.

planters in producing countries are to maintain financial stability.

It is therefore in the interest of the United States coffee industry to take a sympathetic and active interest in efforts toward obtaining greater technological advances in coffee production. In the long run, it is these technological advances that will establish a sound economic basis for the price adjustments necessary to an expanding coffee industry.

<sup>1</sup> See figure 1 in "Supply and Demand in Relation to the Price of Coffee" by Henry Hopp: Foreign Agricultural Circular, FCB 30-54, Foreign Agricultural Service, U. S. Department of Agriculture, December 16, 1954.

<sup>2</sup> Crop year ending in year shown.

#### coffee trends in the U.K.

(Continued from page 139)

Applications for membership are still coming in from firms in the wholesaler/retailer class, while there are many hundreds of caterers and coffee retailers who will be approached at a later stage.

This association is probably the first of its kind in the industry with a constitution that invites producers to work together with importers, wholesalers, retailers and even makers of coffee equipment—all with the common object of putting coffee on the United Kingdom map.

The formation of this body, which has coincided with a favorable promotional atmosphere in the country, could do much to enhance the status of the United Kingdom as a member of the coffee consuming community.

#### coffee prices—and Costa Rica

(Continued from page 127)

On the three aforementioned steps, except for the first one, which requires an international understanding among producing nations, Costa Rica has already started. The problem of limiting production, by not adding more plantations, does not seem to have, in our country, the urgency it has in other producing countries.

Our statistics show that during the last 15 years the increase in coffee area has not surpassed 11.3% of the cultivated land; that is an annual average of 517 manzanas (1 manzana is approximately 1.7 acres), which is quite a low average.

Instead, we have to worry about two circumstances that have great importance in our economy. One of these is that, according to the last census, from a total 148,837 economically active population, 26.22% corresponds to our rural coffee population, which receives in salaries 26.22% of the total cost of production. The other circumstance is the fact that the relative value of our coffee exports represents 43.3% of total exports.

The reader will easily understand the great importance that international trade has in our country. Therefore, any alteration in coffee prices influences favorably or adversely the life of Costa Rican economy, and even the stability of the value of our currency.

The average price F.O.B. for the 1953-54 crop was \$68.57 per quintal of 46 kilograms, and the average price

(Continued on page 167)

OCTOBER, 1955

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## Two-day seminars on coffee problems planned for four cities early in 1956 by PACB

A series of two-day seminars covering a wide range of coffee industry problems is now being planned for early in 1956 by the Pan-American Coffee Bureau, it has been announced by Charles G. Lindsay, Bureau manager.

Purpose of the seminars will be to make available to the industry, on a first-hand basis, an overall view of the coffee situation, together with detailed analysis, interpretation and recommendations on the use and application of various research findings of the past year. A highlight of the meetings will be a presentation of the Bureau's motivational research study.

"The discussions will be of prime interest to sales, advertising, public relations and research people in the coffee business, together with their agencies," Mr. Lindsay declared.

Tentative plans call for meetings in New York, Chicago, San Francisco and New Orleans. The National Coffee Association and the Coffee Brewing Institute have been invited to participate in the seminars in order to give a rounded picture of material available to roasters at the commodity level.

"Last year the Bureau conducted shorter meetings, attended by about 600 coffee men in 13 cities," Mr. Lindsay said. "These were highly successful but did not give sufficient time to explore many questions. Recent conversations with representative roasters throughout the country indicate they would be eager for themselves and their staffs to take part in more detailed discussions."

Among the subjects being considered for the seminars are a review of the importance of coffee in worldwide and inter-American trade, an analysis of the reasons for the declining per capita consumption since 1946, where coffee stands today, potential future market for coffee, application of various research findings to advertising and promotion, public relations, educational activities and food publicity.

"It is our hope to make these seminars the most interesting and constructive meetings ever held in the coffee industry, and through them to make available information that will be of great benefit to everyone concerned," Mr. Lindsay declared.

## Automatic "push button" coffee maker for restaurants introduced by Best Products

A completely automatic, electronically controlled "push-button" coffee maker designed to reduce brewing costs and save labor time by up to 90% is now being distributed nationally by the Best Products Co., Chicago.

The new "Best Automatic Coffee Maker" was designed and perfected over a period of eight years.

"We set our goal at perfecting a coffee maker that would meet every requirement and desired improvement set forth by the Coffee Brewing Institute, Inc., the Pan-American Coffee Bureau and the National Coffee Association," stated Sam Chaplik, president.

The entire brewing operation of the Best Coffee Maker is completely automatic. After the push button is pressed, the machine requires no further attendance by the oper-



Best Products' automatic, electronically controlled coffee maker.

ator. The correct volume of water at the proper temperature for brewing coffee (pre-set according to your formula) flows into the extractor and seeps through the coffee grounds.

After the correct volume of water has been delivered, the water shuts off and the signal light goes out. The water supply in the water tank is replenished automatically. It is not necessary to repour the brewed coffee through the coffee grounds manually. When drawing hot water for tea, the water is replaced automatically after each three to four cups have been taken out.

The heating is completely automatic. Heat goes on when the temperature drops five degrees and goes off when the temperature has been restored, making the operation both efficient and economical. Coffee is kept within five degrees of brewed temperature at all times.

"Our initial distribution presently includes such typical noted nationwide eating establishments and institutions as the Conrad Hilton Hotel, Bell Telephone Co. cafeterias, Black Orchid, Howard Johnson, Ohio State University, Imperial House, Rockford Memorial Hospital, Court of 2 Sisters, Texas Christian University and Southern Methodist University," announced Charles Ney, Best Products sales manager.

"The early success of our unit, which brewed uniformly delicious coffee everytime at a minimum cost per cup, immediately caused us to gear up to national distribution," he added.

Low streamlined design of the Best Coffee Maker facilitates the brewing process and cleaning, and eliminates the need for boxes, stools and ladders which frequently cause accidents, it was stated. A simple flick of the switch permits coffee brewing manually at any time.

"But what's most important of all our unit is designed and fabricated with maximum safety factors," Mr. Chaplik stated. "No pressure is built up—the Best Automatic Coffee Maker is guaranteed not to collapse or explode," he added.

## Eisenmenger named to board of Coffee Brewing Institute

Philip I. Eisenmenger, assistant to the vice president of Standard Brands Inc., has been elected a member of the board of directors of the Coffee Brewing Institute to fill the unexpired term of W. Wirt Wickes, Jr., resigned, according to an announcement by Anders Uribe, president.

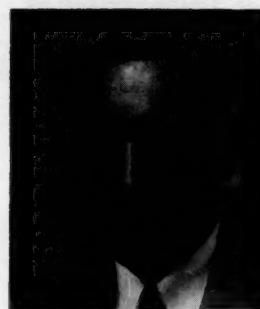
# THE FLAVOR FIELD

Section of Coffee and Tea Industries, formerly The Spice Mill

## chemical additives, flavors and logic

### Second of Two Parts

*This article is from a talk by Mr. Janovsky to a meeting of the Society of Flavor Chemists in New York City.*



By HAROLD L. JANOVSKY

Recent rulings relating to disclosure of flavor formulations for pharmaceuticals, so as to avoid any use hazards, may be applied in like manner to flavors for foods. Far fetched as a suggestion, yet it could happen.

Complete toxicological tests on animals are urged to determine hazard, usually at least 100 times the common usage. While admitting that this is the only method, yet on the other hand we must have proper authoritative interpretation of these facts, because toxicity data is difficult to translate into terms of human use levels and so as to get margins of safety, due to:

- a. Variation among species
  1. Rats tolerate 10% more fluorine than man.
  2. Dogs tolerate 4% more arsenic than man.
- b. Susceptibility varies within different strains, age, sex, health, etc.
  1. Sick individuals may be 10% more susceptible.
- c. Total diet.
  1. Adding other test substances, increases metabolic strain by the assimilation mechanism of the body.

We must realize that the complete "safety of use" for aromatic flavor chemicals is quite difficult to prove. However, if a stigma is attached to or associated with a certain flavor ingredient, proof is necessary, or withdrawal of the item from use. A suggestion was made that the use of 1% of body weight be used as a safety factor. Can you believe that a 175 lb. man, for example, can consume a dose of 1 3/4 lbs. of benzaldehyde, or for that matter, common table salt?

Judging from the stated facts, our industry must establish a self-protection policy in the issue of chemical food additives, and not decide on a "wait and see" action. The chemical-food-additives issue is not a condition that will be passed over, it has obtained too much attention, and action will be taken one way or another.

Many believe that flavorings are a small issue, which can be incorporated in a law to embrace other food chemicals. This is not so, and it is our duty to prepare information to defend our views, if and when it will be necessary to offer such proof.

Our claim for special considerations, should be based on the following facts:

1. Flavor ingredients are used in trivial amounts in foods.
2. Flavor ingredients are necessary in foods.
3. Flavor ingredients are self limiting in use (taste-wise).
4. Very few flavor chemicals have enough commercial value to warrant full toxicity tests for safety.
5. Difficulty of developing methods of analysis to detect small quantities, and combinations, as well as interference with other food chemicals.
6. Flavor chemicals appear in natural products, used for food during the years.

In line with the above thoughts, we would recommend to the flavor manufacturers:

1. They should maintain a "listening post" on the Industry Liaison Panel of the Food Protection Committee, which is in close contact with the FDA.
2. Closely follow any new legislation on the subject of chemical food additives, as to their possible effect on flavor ingredients used.
3. Survey and compile additional "use data", to be retained for future use.
4. Object to public releases of exaggerated, or suggested adverse effects, of flavor chemicals in foods.
5. Alert our members as to the importance of present day actions on chemical food additives, since they could unjustly reflect on the use and sale of flavorings.

### Ehlers introduces fully animated puppet on television advertising

A new milestone in television advertising will be reached this fall when Albert Ehlers, Inc., Brooklyn, N. J., introduces their newly created three-dimensional puppet, the company has announced.

Unlike other such puppets which have been used in the past, the Ehlers character is fully animated, it was stated. He walks and talks and simulates human motions, even down to such details as crooking a finger.

Conceived and executed by Myerberg Productions, the organization responsible for Hansel and Gretel of movie fame, the puppet, fully attired as a butler, has a stainless steel skeleton, with an outer layer of plastic which closely resembles human skin. He stands approximately three feet tall and wears a haughty expression or a winsome smile, depending on the action of the commercial.

In addition to frequent viewings on Channel 4, WRCA-TV, the Ehlers butler will appear in spots which on Channel 7, WABC-TV, immediately preceding the highly rated prize fights. Also, he will be an important element of all newspaper advertising, and should soon be a familiar sight to readers of the Sunday issues of the *New York Times*, *News, Mirror, Herald Tribune* and *Philadelphia Inquirer*.

Copies of the puppet in a somewhat larger size for use in supermarkets are under construction. These will be more limited in action, but will deliver short "commercials" for both the retailer and Ehler products.

### Honduras coffee

(Continued from page 128)

Insofar as the coming year's crop is concerned, it will be smaller than the 1955 crop, for the terrific drought, which forced Honduras to import corn, rice, potatoes, onions, etc., this year, also affected coffee. The cherries will be smaller and fewer per tree in many sections of the country. Were it not for the increasing number of new plants now beginning to bear fruit, the 1956 crop would have been cut by more than 40%.

Honduras will not export more than 180,000 bags of coffee during the new crop year commencing in January, 1956.

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As the demand for Honduras coffee in the U.S., in Europe, and in El Salvador continues to grow, a very large portion of the 1956 Honduras crop will be exported, leaving a limited supply for home consumption.

Therefore, unless the government takes the necessary measures to limit exports before the entire crop is sold, Honduras will become an *importer* of coffee by September 1956.

### coffee developments in France

(Continued from page 138)

and requiring complementary imports of foreign Robustas. But production, specially in Ivory Coast, has been growing faster than consumption, and now it is necessary to find new markets.

Total production of the French overseas territories will reach, this year or next, 3,000,000 bags, against needs of 2,000,000 bags of Robusta for France and Algeria, 1,000,000 more bags being necessary in imports from Brazil and Central America.

Therefore the export of greater quantities of coffee from Ivory Coast and Madagascar requires greater care from the grower, and severe and regular grading and conditioning in the export point.

A better quality has to be offered to the consumer. Individual consumption is today 10% under the prewar level, and the high prices recently observed are not the only reason for lagging consumption. Consumers are too often unsatisfied with the quality of their coffee, which is very different from the beverage they could obtain before the war from the best origins.

Already the movement towards better quality is supported by the roasters, within the limits, very narrow indeed, of the offered qualities. The decline in prices of green has been very useful, allowing a larger percentage of good or fine coffees in the average blendings.

Another trend is the greater importance attached to the promotion for the beverage. Every district of the industry, from the grower to the wholesaler, is convinced of the necessity of unified efforts to promote the sale of good coffee, in France and in other European countries, like the P.A.C.B. has been doing in the U. S. A.

The coming months promise to be full of stress, but we are confident in the possibilities of free trade and free enterprise.

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# 5 main factors in post war pepper

*This article is an excerpt from the first of five sections of a study of world black and white pepper, prepared by the Foreign Agricultural Service, U. S. Department of Agriculture, at the request of the International Cooperation Administration.*

Five main factors appear to have influenced the supply-demand situation and engendered the violent price fluctuations of the later postwar period in the pepper market:

1. *United States participation in the market*—The government of India re-imposed control over the export of pepper June 15th, 1948, in order to prevent pepper exported to soft currency areas from being re-exported to hard currency areas. The action was taken reportedly to insure maximum dollar exchange. Thus, licenses were issued freely for exports to the United States. America's share of the Indian market increased from 38% immediately after the war to almost 70% in 1950-51.

2. *Marketing practices of Indian merchants*—Following the elimination of export quotas, reports from India indicated that the pepper merchants, small in number, refined their marketing practices to such an extent that they were generally able to secure maximum prices after the middle of each calendar year. As prices weakened or declined in the early part of each year, the smallholders were bought out and the pepper was held until after the crops of Sarawak and Indonesia were disposed of. The monsoon period, June to September, caused a further tightening of supply, for Indian merchants are reluctant to ship pepper during this season of the year.

The power of the middleman in India was illustrated effectively during many seasons. The export duty of November 18th, 1949 was followed by an immediate suspension of trade in pepper in the principal markets of South India. The duty was protested and the Government compromised with the trade to reduce the export duty from 30% *ad valorem* to an assessment of 30% on a "tariff value."

Once the large 1946 stocks of Indonesia, Malaya and Sarawak were marketed, a true shortage of pepper began and, as pepper prices continued to increase, Indian traders were inclined to hold back stocks of pepper each spring and summer in anticipation of higher prices. United States pepper dealers, on the other hand, attempted to stay out of the market, primarily during the winter months when prices showed signs of weakening. The effects of such practices were described by a trade source in 1952, "Prices were steadily rising in the face of good demand from New York where there was a squeeze for spot lots and prompt shipments to that country from India during April and May. A number of New York dealers sold during the first quarter fairly substantial quantities for monthly delivery up to December, anticipating lower price levels. This "short" position has yet to be covered in part and is responsible for the squeeze on ready pepper in New York. Growers took full advantage of the situation and were marketing their produce very well, restricting despatches whenever demand slackened."

During the summer of 1953, Indian traders again held

large stocks in anticipation of higher prices as the season closed. Increased supplies moved from Sarawak and Indonesia at lower prices and a pronounced price decline commenced.

3. *Indian consumption of pepper*—Prior to 1942, the greater part of Indian pepper production was consumed domestically. It was a cheap commodity and added flavor to curries. Most of it was used in the northern provinces although some was used in South India, particularly along the Malabar Coast where pepper is produced. After 1942, with the increase of pepper prices, Indian consumers began to substitute chillies for pepper. The effect of rising prices on consumption was important to the export trade after 1946. At least 10,000,000 pounds annually are estimated to have been released from domestic usage to foreign trade by 1952. It is impossible to determine how much consumption declined before 1946.

4. *The Korean hostilities*—The most fantastic rise in pepper prices occurred shortly after the outbreak of hostilities in South Korea toward the end of June, 1950. Fearing that normal trade would be dislocated should the area of conflict spread, pepper grinders and importers in the United States effected heavy purchases in the Indian markets in an effort to stockpile the commodity. Since this heavy demand coincided with the approach of the season's end, pepper prices spiraled upward to an all-time record. In the United States, the wholesale price per pound f.o.b. New York moved from 116.9 cents in June to 265.6¢ in August. The price of pepper declined after August as the stockpiled pepper allowed restricted purchasing thereafter. The Indian growers were not able to regain their strong position again until the summer of 1952.

5. *Devaluation of currencies*—Devaluation of the Indian rupee in 1949 failed to induce any steadiness in pepper prices in terms of dollars. India continued as the monopoly holder of pepper supplies and the United States seemed determined to buy as large a proportion of the



New "king size" spice jars developed by Albert Ehlers, Inc., Brooklyn, N.Y. They are labelled to tie in with Italian foods, in red, green and yellow. Other spices in the new jars are labelled in Ehlers standard red, white, and blue.

market as possible. Thus, the ultimate consumer of pepper did not benefit from devaluation of the rupee and dollar prices moved higher. On the other hand, pepper prices suffered a sharp setback in the early months of 1950 when Indonesia decided to devalue its currency. Prices slumped only to be revived by the Korean incident.

The effectiveness of Indian marketing advantages has been dimmed considerably in the past two years as Sarawak and Indonesia finally rebounded from the devastation of World War II. Between June, 1953, and June, 1954, garbled pepper in Bombay fell from Rs 550/- to Rs 155/- (price per 112 pounds) a decline of almost 72%. *Bombay Commerce* stated in June, 1954, "Such an abrupt fall in the Indian market at this time of the season was never dreamt of by the worst pessimists among the trade. With the whole of the Sarawak and Lampung crop still to be marketed, one does not know the bottom pepper will touch this year."

The above statement was not unduly pessimistic. By late December, under pressure of arrivals of the new pepper crop and in the absence of inquiries from abroad, sizable stocks of pepper were reported to have accumulated at the terminal markets. There had been virtually no demand for the previous three months from the United States, the principal buyer of Indian pepper. The trade had been reiterating the demand for the reduction or complete abolition of the export duty on pepper during 1954.

On January 8th, 1955, the government of India made a reduction of the export duty on black pepper from 30% *ad valorem* or Rs .65 per 112 pounds, whichever was lower, to 15% *ad valorem* only. It was expected that improved demand from the United States would materialize as a result of the reduction.

### Coffee processing machine said to cut growers' costs patented by FOA technicians

A processing machine that will help growers produce coffee at less cost has been patented by two Foreign Operations Administration technicians, it has been reported.

The technicians, Merriam A. Jones and Edgar de L. Davies, have dedicated the machine, the Cafepro, as a public service patent for use by the U. S. government without royalties. They developed it while they were on the staff

of the cooperative agricultural program in Guatemala, the Foreign Operations Administration said.

The Cafepro simplifies the process of separating the coffee berry's outer cherry pulp, or mucilage, from the inner beans by eliminating a long fermentation period.

In the present washing process, the berry's skin is removed by a pulping machine and the mucilage left to ferment from 12 to 50 hours in concrete bins. The beans must then be left to dry in the sun.

This process is time consuming and presents the danger that overfermentation may ruin the coffee beans because there is no way of separating the partially ripe and overweight and underweight beans which require different lengths of time for proper fermentation. Small growers who can't afford concrete bins usually put their beans on the ground to dry, which can impart an earthly and generally inferior flavor to the coffee.

#### Alkali solution

The Cafepro, a mounted, compartment trough, uses an alkali solution of wood ash and lime for washing, with the result that the coffee beans come out clean and free of mucilage in three minutes. Weight loss with the Cafepro is also less than that in the fermentation process, no little consideration to growers, who sell their coffee by weight. Loss with the Cafepro is from 3 to 6 per cent less, FOA officials say.

The Cafepro is designed for two situations: To handle increased production resulting from the planting of better varieties of coffee, and to keep small farmers from having to install costly processing equipment.

The Cafepro, when mass-produced, should sell for \$150 to \$175, the officials said. It is not yet in mass production.

The Cafepro is being used by some private growers, and the governments of several countries in Latin America have demonstrated its use to farmers.

It can be adapted to small-farm coffee growing, where the farmer now dries the coffee beans himself or sells them to a middleman if he doesn't have the costly concrete fermentation bins.

An FOA official recently returned from Central America and the Caribbean Islands reports that he saw about 20 Cafepros, or adaptations of it, in use. With the free use of the patent, it is expected the device will be used throughout many of the coffee-producing Latin American countries with which FOA has technical cooperation programs.

The Cafepro, which took about three years to develop, is a good example of an achievement resulting from the co-operation of U. S. and host-country technicians, a primary objective of FOA's technical assistance program, the official said.

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# San Francisco Samplings

By MARK M. HALL

■ ■ The annual W.S.T.A. picnic held last August at San Mateo Memorial Park seems to improve with age, for the day was delightful and warm, the setting in the Redwoods was never more beautiful, and the fun was well distributed among the members, their children, grandchildren and guests.

All successful picnics must have a horseshoe game and this was no exception; in fact, it is the chief event. Old veterans like Ed Spillane, Guido Simoni, Charlie Montague, and Louis Ozor fell before young Jim Spillane, son of Ed, first prize winner, and Don Maltorf, second prize. Ed and Guido were runners-up, but succumbed to youth in the end. Ed had the consolation of keeping the laurels in the family, but the one-time football player, Guido, had only his past glory to reflect on.

It was even said that Ed was so intent on winning this prize that he took the shoes off his horses to practice with, and let them go barefooted for weeks before the picnic. Guido, in the finals, tried to win by oratory but even that failed. First and second prizes were two beautiful golden cups with the names of the winners to be engraved upon them. Jim Mahoney and Jim, Jr., had charge of the horseshoe games.

There were games for the women and the children, with a climax of bingo. Miller Riddle, with the help of Ed Spillane, barbecued the hot dogs to sustain the crowd until steak time. Miller was head chef and was dressed accordingly. Ed was his funky. Werner Lewald had charge of the women's games and the pleasure of handing them some very attractive prizes. One was a grand prize of an electric fan to Mary Spillane. (Ed couldn't lose, with so many of his family present.) Marion Saunders had charge of the refreshments, dispensing quantities



Trying close harmony at WSTA's picnic are (from left) John Siegfried, Irwin-Harrisons-Whitney, Inc.; Miller Riddle, Thomas J. Lipson, Inc.; and Marion Saunders, Standard Brands Inc.

of soda pop to children and adults alike with an extension of choice to the adults. Ed Spillane (again) was overall chairman.

The games for the kiddies were in the hands of Charlie Montague. This was a natural for Charlie, for as a one-time professional baseball player for the Senators, a hero's role came easy. Larry Meyers master-minded the bingo game, as well as lining up an extensive list of prizes for winners. It was his voice that filled the mountain air until things had to stop for a very fine dinner with steak, and all that goes with it.

Among distinguished guests was M. B. McFarland, son-in-law of Wallace Riese, a potato and cotton grower of Kearn County. Wallace said they had at last gotten a potato grower to the tea picnic. McFarland is the president of the Kearn County Potato Growers Association.

■ ■ We have the word of George Moran that the arrival of the P. & T. Trader, September 28th with 62,125 bags of coffee, which was unloaded on the Pacific Coast, was the largest single shipment at least for a period of two years. The P. & T. Forrester in August brought in 19,875 bags and the average for the year, through August, was 28,000 bags per month. George said that most of this

business had been contracted for after August 20th, the day of the expiration of the 45-day guarantee period against any alteration in the exchange rate. Pope & Talbot are hoping that from now on shipments will be in volume.

Toby Hyde touched San Francisco last month in a fast trip to the Coast on business for the Tea Council. He expects to be back when an Indian tea delegation meets here October 17th. The members will include U. K. Ghosal, H. P. Barna and J. L. H. Williams. They had attended the Tea Association convention at The Greenbrier, White Sulphur Springs, W. Va., and traveled over Canada and the United States studying the tea market.

■ ■ Harvey Brockage's son, Lieutenant Robert, was married last August to Claire F. Kelley at St. Anne's Church. Claire is the daughter of Mr. and Mrs. Lloyd Kelley, of this city.

■ ■ Frederick Charles Talbot, first vice president of the Pope & Talbot Lines, died recently after a brief illness. He was the son of William C. Talbot, the pioneer lumber baron. He was prominent socially and in financial and shipping circles. He is survived by his wife and a son Frederick D. Talbot, Jr.

■ ■ According to the Harbor Board of the Port of San Francisco coffee cargos entering the port in July of this year totaled 6,783 tons; June, 10,478 tons. The total for this year through July was 65,751 tons and for the same period last year 92,450 tons.

## Vancouver

By R. J. FRITH

■ ■ Walter Granicher, of Leon Israel & Bros., Inc., San Francisco, was a visitor to the Vancouver trade recently. He is constantly in touch with the coffee market, and was very welcome to all the coffee roasters in the city, especially so since he was among the very first to reach this city, so far this year. Most of the San Francisco

(Continued on page 166)

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# New York News

■ ■ Horacio Cintra-Leite, president of the Pan-American Coffee Bureau, attended the International African Coffee Conference which took place in Brussels.

After the conference, Mr. Leite visited London and Paris to study the possibility of extending the Bureau's promotional and public relations activities to include England and France.

■ ■ The Green Coffee Association of New York announced the election of its new officers.

F. C. Byers was elected President; H. F. Baerwald, Vice-President and F. E. Barnard was elected Treasurer. Elected as Directors for the 1957 term were J. T. Daly, W. H. Lee, H. R. McComb, J. H. Naumann, J. F. Sullivan and E. J. Walker. In addition, R. A. Sutherland was named a Director to fill the unexpired portion of 1956 term.

The Adjudication Committee will consist of E. B. Ackerman, A. A. Anisansel, J. R. Aron, K. F. Fairchild, F. Kohn, A. L. Ransohoff, R. S. Sasseen and F. H. Silence. Alternates for this committee are W. L. Bolte, V. V. Byrne, John Heuman, J. M. O'Connor and H. F. Sneden.

The Nominating Committee will be made up of H. M. DeHos, E. J. Finnegan, G. E. Kimpel, G. M. McEvoy and J. A. Sim.

The Green Coffee Association also voted to circulate to the membership the text of Mr. Slover's report, which summed-up the activities of the various Association committees during the past year.

In addition, Mr. Slover noted that there was a net gain of four members in the Association and that on two occasions, testing equipment was loaned to Channels 2 and 4 for television shows relating to coffee.

■ ■ Kenneth Fairchild, partner of Fair-

child & Bolte, has accepted the chairmanship of the Coffee division in the Golden Jubilee fund-raising campaign of the Travelers Aid Society of New York.

■ ■ For a one week period, Lord & Taylor, a well-known Fifth Avenue department store, devoted its larger front windows to "coffee-colored" women's fashions. The fashions were displayed against a backdrop depicting various phases of the U. S. industry.

■ ■ The Green Coffee Association Bowling League has made tentative arrangements for the 1955/56 season. An option has been taken at Bowlmor Recreation, 13th St., and University Place for Tuesday nights at 8:15 P. M.

The Activities Committee of the Association explained that the new location will make bowling more pleasant and convenient. It has ample space for bowlers and guests, good locker accommodations and check room facilities.

■ ■ Donald Yarkin has left Stein, Hall & Co. to join H. Hentz & Co. as a Commodity solicitor. Mr. Yarkin, with Stein, Hall since 1952 as national manager of the coffee division, will be attending the San Francisco convention.

■ ■ Societe Commercial De L'Ouest African, 149 Broadway, New York, has applied for membership in the National Coffee Association. The firm imports Robustas from the Ivory Coast and the Cameroons.

Felix Toselli, manager of the New York office is in charge of coffee operations. According to Mr. Toselli, the company has been in coffee, in W. Africa, since 1905. The New York office has been in operation for ten years.

■ ■ Ciro Rodriguez, Bogota, Colombia, is in New York to visit his son. Mr. Rodriguez is one of Colombia's better-known exporters of Bogotas.

■ ■ Mr. & Mrs. Eliseo Lopez of Bogota, accompanied by their children Lucy, who will enter the Immaculata Convent in Wash. D.C. and Hernando who is enrolled at Georgetown Univ., arrived in New York on the Grace Line Santa Cecilia.

Mr. Lopez is one of Colombia's leading coffee exporters, with headquarters at Pereira.

Also in from Pereira is Mr. Alfredo Trujillo, Colombian coffee exporter.

■ ■ Bernard Schaefer of Schaefer Klaussmann returned to New York after a tour around the world.

Mr. Schaefer took in Australia, Tahiti, Fiji Islands, Java, Djakarta, New Zealand before completing his tour via Europe.

■ ■ Chock Full O' Nuts Coffee is expanding its territory. William C. Bonstedt & Co., Philadelphia, has been named broker for the coffee in 14 counties in Pennsylvania, New Jersey and Delaware, according to an announcement by William Black, president of the Chock Full 'O Nuts Corp.

The date for the debut is September 15th.

Chock Full O' Nuts claims outstanding success for its All Method Grind coffee in its present territories—New York, northern New Jersey and New England.

Extensive newspaper, TV, radio and promotion campaigns will mark the introduction in the new area.

■ ■ Sinclair Weeks, secretary of the Department of Commerce, will be guest of honor and main speaker at the 30th anniversary dinner of the New York Cocoa Exchange. The dinner will be held October 11th in the Starlight Ballroom of the Waldorf Astoria.

Marking the founding of the Cocoa Exchange back in October, 1925, will be leaders of the cocoa industry from all parts of the country and from abroad, heads of the major commodity and stock exchanges, as well as diplomatic and commercial representatives of a number of foreign countries.

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# New Orleans Notes

By W. Mc KENNON

■ ■ Leslie de la Houssaye's election to the assistant vice presidency of the Mississippi Shipping Co. has been announced here. Mr. de la Houssaye joined the company in 1940, after receiving his Master's Degree in International Economics at Louisiana State University. He was commercial attache of the State Department in 1945-46, on the island of Madagascar. Since that time he has been in charge of operating costs and statistics for Mississippi Shipping and conducted extensive surveys in South America and West Africa, served by the Delta Line. ■ ■ The recent death of Jay Weil Sr., founder, former president and chairman of the board of the Gulf Shipside Storage Corp. and owner of the Dixie Storage and Drayage Co. is mourned by the trade. Mr. Weil was a native of New Orleans, attending public schools and Tulane University here. He was a member of the Chamber of Commerce of the New Orleans Area, International House, the Young Men's Business Club, the Traffic Club of New Orleans and New Orleans Board of Trade, Ltd.

■ ■ Alex C. Cocke, vice president of the Lykes Brothers Steamship Co. spoke on steamship lines, agencies and barge lines in the first of a series of meetings preceding the 75th anniversary celebration of the New Orleans Board of Trade, Ltd.

■ ■ Floyd Keen, of Hanemann and Cummings, has returned from Birmingham, Alabama.

■ ■ Alan V. Bories, of J. Aron & Co., Inc., left on a vacation with his family to spend several weeks in Seattle, his former home.

■ ■ Rodolfo Stahl, president of FEDECAME, recently passed through New Orleans, accompanied by Mrs. Stahl, en route to Brussels.

■ ■ Mrs. Paul O. Fallon was buried here recently, following her death at the age of 66. She was the wife of Paul O. Fallon, retired company head of L. C. Fallon & Co., coffee importers.

■ ■ W. B. Burkenroad, Jr., vice president of J. Aron & Co., Inc., now has another granddaughter—Patty Ann. The proud parents are Mr. and Mrs. Aaron Selber, Jr., of Shreveport, Louisiana.

■ ■ The New Orleans Green Coffee Association has moved its offices to the Libno Building, 302 Magazine Street, Room 202. The offices have tiled floors, fluorescent lighting, pastel color scheme, elevator service, floor-to-ceiling windows overlooking Gravier Street, venetian blinds and full air-conditioning. New office equipment has been installed.

■ ■ Coleman W. Hull of J. Aron & Co., Inc., has returned from New York, where he spent his vacation.

■ ■ E. A. Lafaye, vice president of J. Aron & Co., Inc., has returned to his office after several weeks' vacation. He reports having enjoyed some nice fishing over at Lake Shore, North Shore, Louisiana.

■ ■ Ed Ganuchea, of J. Aron & Co., Inc., recently returned to his desk after several weeks' vacation.

■ ■ The Venezuelan Line's newest motor vessel, the Yaracuy, arrived here recently from Houston, docking at the Dumaine St. wharf. N. H. Snider, manager of the Isbrandtsen Co., the line's agent here, said the 4,502 ton ship was recently launched in Holland and will join weekly service between the Gulf and Venezuelan ports.

## Vancouver

(Continued from page 163)

people have been staying close to the home port, this year.

■ ■ S. W. T. Michelmore, United Kingdom Trade Commissioner at Vancouver, was host to the coffee mission from Tanganyika. There was a reception in the town's leading hotel, the Vancouver. The four-man mission from Tanganyika wanted to meet coffee men all across Canada and United States, and so far as their Canadian visit is concerned, it proved successful.

The East African mission carried samples of Tanganyika coffees, exhibited a film, and supplied illustrated brochures on Tanganyika Coffees. Before returning to their homes, the coffee men will visit virtually all Canadian roasters, from coast-to-coast.

## Southern California

By VICTOR J. CAIN

■ ■ The Los Angeles Coffee Club held their annual dinner dance in the Ship Room of the Huntington Hotel. This particular setting is very lovely, because one dines and dances under-the-stars. Those attending the affair included Mr. and Mrs. Lingle, Mr. and Mrs. Charles Nonemacher, Mr. and Mrs. L. T. Moseley, Mr. and Mrs. Walter Dunn, Mr. and Mrs. Robert Ruth, Mr. and Mrs. H. O. Knecht, Mr. and Mrs. Herman Landon, Mr. Edward Apffel and Mr. Richard Moseley. From all reports this was a wonderful party and all are looking forward to the next one.

■ ■ Mr. and Mrs. Irving Koppel, of Koppel Bros., Certified Weighmasters, in the Los Angeles area, just returned from a three month tour of Europe.

■ ■ Mr. and Mrs. Bill Kunz of W. H. Kunz and Co. just returned from a trip to Brazil.

■ ■ Another day at the races, with Pope and Talbot, Inc. This time the setting was "Where the Turf Meets the Surf" (or better known as Del Mar), and hosted by "Steamboat Bill Egle and assisted in great fashion by John Stein, General Freight Traffic Mgr. Pope and Talbot, Inc. and M. W. (Mike) Donner. A special car was chartered for the day, which made for closer comraderie, and several games of chance without being interrupted except to eat, to and returning from the base of operations. Those attending the great day were the Messrs Richard and Lorrie Moseley, Leonard Koppel, Herb Whiteley, Walt Dunn, Ted Strangman, Bill Goege, Charles Mach, Ted Lingle, Jack Arnold, Tom Halpin, Charles Nonemacher, Jim Duff, Herb Knecht, Roy Farmer, Bob Olsar, Bill Morton, Messrs. Wilbur, Bob and Bill Curtis, Ralph Parks, and Vic Cain. From the looks on everyone's faces they evidently all fared well.

■ ■ A small group gathered together for a farewell party to Bill Morton prior to his departure for Europe. Bill is heading a single and special mission of his own to visit the African area in the vicinity of Nairobi and Dar es Salaam. Bill was accompanied by Mrs. Morton, and expected to meet his son Bill (now assigned with the Army Engineers as a Lieutenant in Northern Germany) who will continue part of the trip with them for the short duration of his leave.



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## the coffee man's guide to San Francisco

(Continued from page 49)

top of Russian Hill, named from an old Russian burial ground, and now the home of writers and artists. Nearby is Telegraph Hill, with its Coit Tower, a memorial to the volunteer firemen of San Francisco's early history, built from a bequest left by Lillie Hitchcock Coit, who as a little girl was mascot to one of the volunteer companies. On the sides of this hill literally hang the houses and gardens of the Latin Quarter.

From these historic hills you may see a panorama of the city. Miles of docks spreading out fan-like into the Bay and concentrating in this section to form San Francisco's Fisherman's Wharf, with all the color and charm of a Mediterranean town. Steaming cauldrons line the sidewalks and Italian fishing boats are tied up after sailing through the Golden Gate to deliver their day's catch. This same catch is served as the bill of fare at Joe DiMaggio's "Fisherman's Grotto," or any other of the sea food restaurants competing for your attention.

We still have our cable cars, preserved for sentimental reasons and for visitors. Instead of calling a taxi, why not climb aboard one of these quaint little cable cars that passes your hotel on Powell or California Street? They bump along at the safe even pace uphill or down—the safest transportation yet devised.

During the early growth of commerce, as the city began to take on elegance, the Crockers, the Huntingtons and the Hopkins selected the eminence known as "Nob Hill" to erect their mansions. The Mark Hopkins Hotel occupies one of these sites, the Fairmont Hotel another, while yet another old mansion has become the Pacific Union Club, and the tall spires of Grace Cathedral rise in the next block.

### See the sea Irons

The city is proud of its civic center, with its marble and granite monuments. Here in 1945, the War Memorial Opera House and Veterans Building housed the United Nations Conference on International Organization, and more recently the Japanese Peace Treaty Conference.

For a marine view, the Cliff House is unsurpassed. From the glassed-in dining room you may watch the sea lions scramble around the rocks below. Running from the Cliff House out over the thundering surf is the "Sky Tram," suspended from two giant cables, which offers visitors a thrilling and spectacular ride. Nearby is Sutro's indoor swimming pool with a large ice-skating rink and museum.

At the opposite end of the beach is the Fleishacker outdoor salt-water swimming pool, and the zoological gardens of 128 acres, where wild animals are kept in conditions approximating their natural habitat.

On clear days it is possible to see the Farallones (part of San Francisco) but on foggy days (and let us admit that we *do* have them) the visitor may be better able to understand how Sir Francis Drake could have sailed right past the Golden Gate in 1579 to discover Drakes Bay only a few miles to the north. The brass plate on which he recorded his discovery and claimed possession of the land in the name of his sovereign Queen Elizabeth, and which he "caused to bee fixed to a firm poste," has recently been discovered and pronounced authentic.

It remained for Don Gasper de Portola's land expedition of 1769 to discover San Francisco Bay, and in 1776, while the Liberty Bell was announcing the birth of our nation on the East Coast, Col. Juan Batista de Anza with his little band of white settlers was selecting the site of the Presidio and the Mission Dolores, which was dedicated to St. Francis of Assisi. The Mission combines the architectural features of the Moorish Mission and Corinthian styles. It contains many treasures and paintings brought from Spain. Indian converts decorated the rafters, roof tiles, sun-dried adobe and hand-hewn timbers.

Although the vicinity of the Mission was called "San Francisco" from the beginning, the little settlement that sprang up at the cove under Telegraph Hill was called "Yerba Buena," meaning "Good Herb," because of the aromatic vine found in the underbrush and used by the Indians to brew a sleep inducing drink.

### Parks and gardens

San Francisco has 53 public parks and squares. Golden Gate Park, the largest of these, was reclaimed from sprawling, wind-blown sand dunes. Many of the city's cultural centers are located here—The California Academy of Sciences, the Steinhart Aquarium, a bandstand where outdoor concerts are featured, and the De Young Museum, which contains art treasures from all over the world. The Japanese Tea Garden, built for San Francisco's mid winter fair of 1893 is still a great attraction.

In Lincoln Park, overlooking the Golden Gate, is another fine art gallery, the Palace of the Legion of Honor. While yet another, the Palace of Fine Arts, a legacy of the Panama Pacific International Exposition, of 1945, is located on a lagoon close to the yacht harbor.

And that brings us to Treasure Island, dredged from the bottom of the Bay to accommodate the Exposition of 1939-40, called the Pageant of the Pacific. It is now owned by the U. S. government and is occupied in part by the Naval Training Station.

Of our two bridges, both superlative, the San Francisco-Oakland Bay Bridge is the longest, while the Golden Gate Bridge boasts the longest single span in the world. At any time of day or night, sunrise, sunset-moonrise, starlight, sparkling with neon lights or glistening in the rain—San Francisco from the bridges is a memorable sight.

### coffee prices—and Costa Rica

(Continued from page 157)

of this crop up to August 15th is \$63.67. In the first fortnight of this same month, prices dropped from \$82.03 to \$55.51, meaning a difference of \$26.52 per 100 pounds F.O.B. Costa Rican port. This was a terrible impact on our economy.

These figures show the reason for the anxiety and restlessness our country is experiencing. They also explain the legitimate preoccupation of our government in arriving at an adequate price in foreign markets, and in striving to see that these prices will be maintained over a period of time, so as to enable economic readjustments, avoiding abrupt changes that bring ruin to our national economy, devaluation of currencies and deficits in balances of trade in the producing countries.

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